

WASHING LANDMARKS

Leslie M. Shaw



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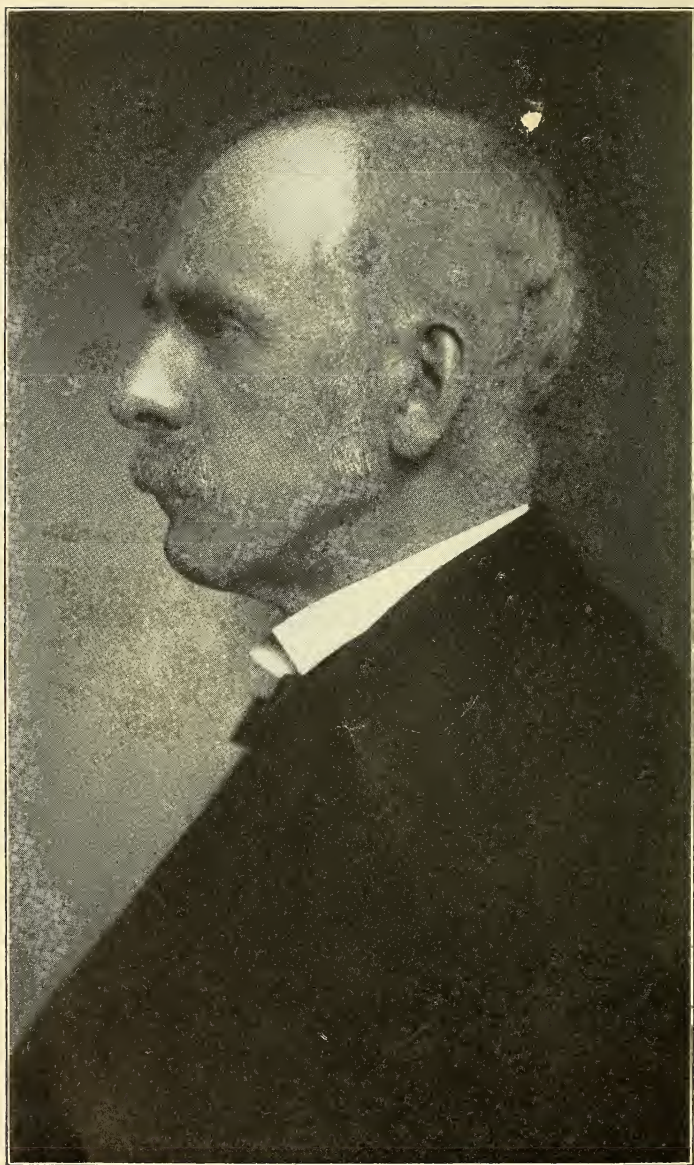
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VANISHING LANDMARKS

“When the mariner has been tossed for many days in thick weather and on an unknown sea he naturally avails himself of the first pause in the storm, the earliest glance of the sun, to take his latitude and ascertain how far the elements have driven him from his true course.” Webster

“Have you lately observed any encroachment upon the just liberties of the people?”
Franklin



Gertrude L. Shuman

VANISHING LANDMARKS

The Trend Toward Bolshevism

By

Leslie M. Shaw

Former Secretary of the Treasury

Ex-Governor of Iowa



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IN JUSTIFICATION

There are several types of intellect, with innumerable variations and combinations. Some see but do not observe. They note effects but look upon them as facts and never seek a cause. Tides lift and rock their boats but they ask not why. They stand at Niagara and view with some outward evidence of delight a stream of water and an awful abyss, but they lift neither their thoughts nor their eyes towards the invisible current of equal volume passing from Nature's great evaporator, over Nature's incomprehensible transportation system, back to the mountains, that the rivers may continue to flow to the sea and yet the sea be not full. That class will find little in this volume to commend, and much to criticise.

A man is not a pessimist who, when he hears the roar and sees the funnel-shaped cloud, directs his children to the pathway leading to the cyclone cellar. He is not a pessimist who, after noting forty years of boastful planning, realizes that war is inevitable, and urges preparedness. But

the man is worse than a pessimist—he is a fool—who stands in front of a cyclone, rejoicing in the manifestation of the forces of nature, or faces a world war, expatiating on the greatness of his country and the patriotism and prowess of his countrymen.

It is commonly believed that Nero fiddled while Rome burned. Conceding that he did, it was relatively innocent folly compared to the way many Americans fiddled, and fiddled, and fiddled, and fiddled, until Germany was well on the way to world domination. Coming in at fabulous cost and incalculable waste, and saving the situation at the sixtieth minute of the eleventh hour, we not only claim a full day's pay but seem to resent that those who toiled longer, with no more at stake, are asking that honors be divided.

We are now facing a far worse danger than the armed hosts of the Central Powers—a frenzied mob each day extending its influence, and multiplying its adherents. Shall we again fiddle and fiddle, and fiddle and fiddle, or shall we both think and act?

For six thousand years the human race has experimented in governments and only China boasts of its antiquity. During this period almost every possible form of government was

tried but nothing stood the test of the ages. The few surviving pages of the uncertain history of nations that have existed and are no more, give ample proof that the task of self-government is the severest that God in his wisdom has ever placed upon His children.

When this government was launched the world said it would not endure. It has both existed and prospered for more than a century and a quarter, but there is no thinking man between the seas, and no thinking man beyond the seas, who does not recognize that representative government, in the great republic, is still in its experimental stage. Even Washington declared he dared not hope that what had been accomplished or anything he might say would prevent our Nation from "running the course which has hitherto marked the destiny of nations."

It is said that when Galusha Grow entered Congress he carried a letter of introduction to Thomas Benton, then just concluding his thirty years of distinguished service. Naturally, Senator Benton was pleased with the brilliant Pennsylvanian, for he said to him: "Young man, you have come too late. All the great problems have been solved." Ah! they had not been. Mr. Grow lived to help solve some; others have since been solved; more confront us now than ever before in our

history, and the sky is lurid with their coming. If we are to continue a great self-governing and self-governed nation, we must spend some time in the study of statecraft, the most involved, the most complex, and, barring human redemption, the most important subject that ever engaged the attention of thinking men.

About the only subject which vitally affects all, and yet to which few give serious thought, is the science of government. Our farms and our factories, our mills and our mines, together with current news, much of it frivolous, and little of it thought-inspiring, engage our attention, but statecraft, as distinguished from partisan politics, is accorded scant consideration. In the first place we are too busy, and, secondly, we do not improve even our available time. A young New Englander was asked how his people spent their long winter evenings. "Oh," said he, "sometimes we sit by the fire and think, and sometimes we sit by the fire." It is the hope of the author that the following pages will invite attention to some problems that in his humble judgment must be thought out at the fireside, and must be wisely solved, if we expect to keep our country on the map, and our flag in the sky until the Heavens shall be rolled together as a scroll.

Recent years have demonstrated the abiding

patriotism of the American people and their faith in the ever-increasing greatness of America. Few there be who would not gladly die for their country. The only thing they are not willing to do is to think, and then hold their conduct in obedience to their judgment. The future of our blessed land rests with those who can think, who will think, who can and will grasp a major premise, a minor premise and drawing a conclusion therefrom, never desert it.

It has become painfully commonplace to say that the American people can be trusted. While their good intentions can be relied upon, no nation will long exist on good intentions. The nations that have gone from the map have perished in spite of good intentions. The future of America rests not in the purity of motives, nor upon the intelligence, but in the wisdom of its citizens. In the realm of statecraft some of the most dangerous characters in history have been intelligent, pious souls, and some of the safest and wisest have been unlearned.

Socrates taught by asking questions. So far as possible he who is interested enough to read this volume will be expected to draw his own conclusions. The facts stated are historically correct. What deductions I may have drawn therefrom is relatively immaterial. The question of primary

importance to you will be, and is, what conclusions you draw. And even your conclusions will be worthless to you and to your country unless your conduct as a citizen is in some degree influenced and controlled thereby.

From the monument that a grateful people had erected to a worthy son I read this extract from a speech he had made in the United States Senate: "He who saves his country, saves himself, saves all things, and all things saved bless him; while he who lets his country perish, dies himself, lets all things die, and all things dying curse him!"

LESLIE M. SHAW.

Washington, D. C., March, 1919.

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VANISHING LANDMARKS

CHAPTER I

REPUBLIC VERSUS DEMOCRACY

Representative government and direct government compared.

The Fathers created a republic and not a democracy. Before you dismiss the thought, examine your dictionaries again and settle once and forever that a republic is a government where the sovereignty resides in the citizens, and is exercised through representatives chosen by the citizens; while a democracy is a government where the sovereignty also resides in the citizens but is exercised directly, without the intervention of representatives.

Franklin Henry Giddings, Professor of Sociology of Columbia University, differentiates between democracy as a form of government, democracy as a form of the state, and democracy as a form of society. He says: "Democracy as a form of government is the actual decision of every question of legal and executive detail, no less than of every question of right and policy, by a direct

popular vote." He also says: "Democracy as a form of the state is popular sovereignty. The state is democratic when all its people, without distinction of birth, class or rank, participate in the making of legal authority. Society is democratic only when all people, without distinction of rank or class, participate in the making of public opinion and of moral authority."

The distinction, briefly and concisely stated, is this: (One is direct government, the other representative government. Under a democratic form of government, the people rule, while in a republic they choose their rulers. In democracies, the people legislate; in republics, they choose legislators. In democracies, the people administer the laws; in republics, they select executives. In democracies, judicial questions are decided by popular vote; in republics, judges are selected, and they, and they only, interpret and construe laws and render judgments and decrees. I might add that in republics the people do not instruct their judges, by referendum or otherwise, how to decide cases. Unless the citizens respect both the forms of law and likewise judicial decisions, there is nothing in a republic worth mentioning.

When we speak of individuals and communities as being democratic, we correctly use the term. My father's family, for instance, like all

New England homes of that period, was very democratic. It was so democratic that the school teacher, the hired man and the hired girl ate with the family. We sat at a common fireside and joined in conversation and discussed all questions that arose. It was a very democratic family; but it was not a democracy. My father managed that household.

In very recent years we have been using the word "democracy" when we have meant "republic." This flippant and unscientific manner of speaking tends to lax thinking, and is fraught with danger. A good illustration of careless diction is found in the old story that Noah Webster was once overtaken by his wife while kissing the maid. She exclaimed: "I am surprised!" Whereupon the great lexicographer rebuked her thus: "My dear Mrs. Webster, when will you learn to use the English language correctly? You are astonished. I'm surprised."

It is a well known fact that the meaning of words change with usage. Some recent editions of even the best dictionaries give democracy substantially the same definition as republic. They define a republic as a "representative democracy" and a democracy as a government in which the people rule through elected representatives. This gradual change in the meaning of the word

would be perfectly harmless if our theory of government did not also change. Probably our change of conception of representative government is largely responsible for the evolution in the popular use of the word democracy.

A far more important reason why the term "democracy" should not be used improperly lies in the fact that every bolshevist in Russia and America, every member of the I. W. W., in the United States, as well as socialists everywhere, clamor for democracy. All of these people, many of them good-intentioned but misguided, understand exactly what they mean by the term. They seek no less a democratic form of government as Professor Giddings defines it, than a democratic society as he defines that, and likewise financial and industrial democracy. They want not only equality before the law, but equality of environment and equality of rewards. Only socialists, near-socialists, anarchists and bolsheviki clamor for "democracy." Every true American is satisfied with representative government, and that is exactly what the term republic means.

EQUALITY

The expression, "All men are created equal," does not signify equality of eyesight, or equality of physical strength or of personal comeliness.

Neither does it imply equal aptitude for music, art or mechanics, equal business foresight or executive sagacity or statesmanship. Equality before the law is the only practicable or possible equality.

Why educate, if equality in results is to be the goal? Why practice thrift, or study efficiency, if rewards are to be shared independent of merit? Those who clamor most loudly for equality of opportunity, have in mind equality of results, which can be attained only by denying equality of opportunity. Equal opportunity in a foot race is secured when the start is even, the track kept clear and no one is permitted to foul his neighbor. But equality of results is impossible between contestants of unequal aptitude when all are given equality of opportunity.

The kind of "democracy" which the socialist and the anarchist demand, confessedly hobbles the fleet, hamstring the athletic and removes all incentive to efficiency. The keystone of representative government is rewards according to merit, and the buttresses that support the arch are freedom of action on the one side, and justice according to law on the other.

"Republics keep a one-price store. Whoever pays the price, gets the goods. Democracy, on the contrary, expects voluntary toil, popular sac-

rifices and then proposes to distribute the resultant good either *pro rata* or indiscriminately. No one can read socialistic literature without recognizing that political, social, industrial and financial democracy is the goal of its endeavor. When the supreme conflict comes between organized government, organized liberty, organized justice and bolshevism under whatsoever garb it may choose to masquerade, I do not intend anyone shall "shake his gory head" at me and say that I helped popularize their universal slogan and international shibboleth. Unless we speedily give heed we shall be fighting to make America *unsafe* for democracy. Then we may have difficulty in explaining that we have meant all these years a very different thing than our language has expressed.

CHAPTER II

THE CONSTITUTIONAL CONVENTION

The republican character of the constitutional convention, the qualifications of the delegates, and the extent to which they trusted to the wisdom of the people.

The Constitutional Convention was a republican body, and not a mass meeting. George Washington presided. He was a delegate from Virginia. James Madison was another representative from the same state, and he wrote the greater part of the Constitution. Thomas Jefferson was in France, and had nothing whatever to do with drafting the great document, or in securing its adoption. Benjamin Franklin was a delegate from Pennsylvania. Roger Sherman was a representative of Connecticut. New York sent no delegate, but Alexander Hamilton, who with George Washington had early recognized that the League of Nations, or League of Sovereign States, which means the same, and which the old Articles of Confederation created, was proving an utter failure in practice, and had, therefore,

urged from the beginning "a more perfect union," attended and he was seated as a delegate from New York. His matchless vision led him to seek the incorporation of additional safeguards against bolshevism, as it is now called, and though his advice was not heeded it was Hamilton, more than any other man, with John Jay and James Madison his able supporters, who secured the ratification of the Constitution as drafted.

These, and the other delegates, representing the people of the several states, after much deliberation formulated the historic document beginning, "We the people." It provides among other things that its ratification by *delegated conventions* in nine of the thirteen states shall make it binding upon the states so ratifying the same. It also provides that it can be amended in a similar *delegated convention* called at the request of chosen representatives in the legislatures of two-thirds of all the states, or by joint resolutions passed by two-thirds of the representatives of the people, in Congress assembled, when ratified by representatives of the people in three-fourths of the states, in their respective legislatures assembled.

Those who talk about "taking the government back to the people" would do well to remember that the American people have never voted upon

any provision of the National Constitution, and there is no way provided by which they can, in any direct way, express their approval or disapproval. I repeat, the Fathers created a republic, and not a democracy. Washington speaks of "the delegated will of the nation"—never of the popular wish of the people.

THE FATHERS CONSULTED HISTORY

The members of the Constitutional Convention were worthy of their seats. They were men of both learning and experience. They had read history. They knew that many attempts at representative government had been made and that all had failed. They also knew the path all these republics had taken on their way to oblivion. They were fully alive to the fact that the first step had always been from representative government to direct government; from direct government to chaos, from chaos to the man on horseback—the dictator; thence to monarchy. The discussion in the convention makes it abundantly clear that the Fathers sought to save America from the monarch, and to protect her from the mass. They chose the middle ground between two extremes, both fraught with danger.

They even went so far as to guarantee that no state should be cursed with a democratic form of

government, or a monarchical form of government or any other kindred system. The provision is in this language: "The United States shall guarantee to every state in this Union a republican form of government." That excludes every other form.

CONFIDENCE IN THE PEOPLE JUSTIFIED

The members of the Constitutional Convention, having been selected because of their aptitude for public matters, their knowledge of public questions and their experience in public affairs, very naturally had confidence that men of like caliber and character would always be selected for important representative positions. They believed the people would choose legislators, executives and judges of aptitude, at least, and would retain them in office until they attained efficiency through experience.

Presumably these delegates anticipated that men would be born with no aptitude for public positions, but they confidently believed even these would be able to select men of aptitude. They may have realized that some men would be unfit for Congress, who, nevertheless, would be competent to select able congressmen. For these, as well as for other reasons, they provided no way by which those whom no one would think of send-

ing to Congress, and who naturally give no attention to public affairs, could instruct their congressmen, who alone must bear the responsibility of legislation. Had such a thing as legislating by referendum been thought of at that time, the Fathers certainly would have expressly prohibited it. Legislation by representatives was considered and express and detailed provision therefor was made.

The preceding differentiation between republic and democracy has no reference, of course, to political parties. Long before the republican party, as now constituted, had an existence, democratic orators grew eloquent over "republican institutions," meaning thereby representative institutions.

Every protestant church in America is a republic. Its affairs are managed by representatives—by boards. Otherwise there would be no churches. Every bank and every corporation is a republic, managed by boards and officers selected by stockholders. The United States Steel Corporation, for instance, is analogous to a republic, the stockholders being the electors, but if the stockholders were to take charge of that corporation, and direct its management by initiative or referendum, it would be in the hands of a receiver within ninety days.

The United States of America is a great Corporation, in which the Stockholder is the Elector. Stockholders of financial and industrial corporations desire dividends, which are paid in cash. Not desiring office, the stockholders are satisfied to have the corporation managed by representatives of aptitude and experience. The dividends paid by political corporations like the United States and the several states are "liberty and the pursuit of happiness," "equality before the law," an army and navy for national defense, and courts of justice for the enforcement of rights and the redress of wrongs. But stockholders in political corporations are not always satisfied with these returns. Some prefer office to dividends payable only in blessings.

In banks and other business corporations, stockholders are apt to insist that representatives and officers who show aptitude and efficiency shall be continued in office so long as dividends are satisfactory. In political corporations the people have recently been pursuing a very different course. They have been changing their representatives so frequently that efficiency, which results only from experience, is impossible.

While stockholders of a corporation would certainly wreck the institution if they attempted to manage its affairs directly or by referendum,

it is very appropriate for stockholders, acting on the recommendation of their representatives—the board of directors—to determine an important measure like an issue of bonds, or whether the scope and purpose of the concern shall be enlarged or its capital increased. Analogous to this is the determination of governmental policies at regular elections where the people choose between the programs of different political parties as set forth in their platforms. Thus the people sometimes ratify the policy of protection, and sometimes the policy of free trade, demonstrating that they do not always act wisely by frequently reversing themselves.

Political parties usually omit from their platforms the details of legislation. The only exception that occurs to me was when every detail of a financial policy was incorporated in the platform submitted for ratification. The coinage was to be “free,” it was to be “unlimited,” and at the “ratio of 16 to 1.” If the people had approved this at the polls their representatives would have had no discretion. There would have been no room for compromise. While the people are presumably competent to choose between policies recommended in the platforms of political parties, it is a far stretch of the imagination to suppose that the average citizen

is better prepared to determine the details of a policy than the man he selects to represent him in the halls of Congress. The congressman who concedes that his average constituent is better prepared to pass upon a proposition than he is necessarily admits in the same breath that his district committed a serious blunder in sending him. It ought to have selected a man at least of average intelligence.

The fact that neither stockholders *en masse*, nor employees *en masse* are able to manage a business enterprise does not imply that the principle of a republic may not be advantageously applied to industrial concerns. This question is again referred to in Chapter xxx, and the possible safe, middle course between the industrial autocracy demanded by capital, and the industrial democracy demanded by labor, is suggested and briefly discussed.

CHAPTER III

STATESMEN MUST FIRST BE BORN AND THEN MADE

Some fundamental qualifications for statesmanship. Integrity and wisdom compared.

How are lawyers obtained? Admission to the bar does not always produce even an attorney. And there is a very marked difference between an attorney and a lawyer. But when a young man is admitted to the bar who has aptitude for the law, without which no man can be a lawyer, industry in the law, without which no man ever was a lawyer, then with some years of appropriate environment—the court room and the law library—a lawyer will be produced into whose hands you may safely commit your case.

How are law makers obtained? Many seem to think it only necessary to deliver a certificate of election, and, behold, a constructive statesman, of either gender. I would like to ask whether, in your judgment, it requires any less aptitude, any less industry, or a less period of appropriate environment to produce a constructive law maker, than to develop a safe law practitioner.

I will carry the illustration one step further. Do you realize that it would be far safer to place the man of ordinary intelligence upon the bench, with authority to interpret and enforce the laws as he finds them written in the book, than to give him pen and ink and let him draft new laws? We all recognize that it requires a man of legal aptitude and experience to interpret laws, but some seem to assume neither aptitude nor experience is necessary in a law-maker. If legislators in state and nation are to be abjectly obedient to the wish of their constituents, what use can they make of knowledge and judgment? They will prove embarrassments, will they not?

To interpret the laws requires aptitude improved by experience; it demands special knowledge, both of the general law and of the particular case under discussion. It takes a specialist.

I would rather have the ordinary man stand over my dentist and tell him how to crown my tooth than to have him stand over my congressman and tell him how to vote. He knows, in a general way, how a tooth should be crowned, and further than that I refuse to carry the illustration. Then, I can stand a bad tooth better than I can a bad law. No man ever lost his job because of a bad tooth. But millions have stood in the bread line, and other millions will suffer in like manner

because of unfortunate and ill-considered legislation.

INTEGRITY VERSUS WISDOM

We all demand integrity in office, but integrity is the most common attribute of man. I can go on the street and buy integrity for a dollar a day, if it does not require any work; but aptitude, experience and wisdom are high-priced. If I had to choose between men of probity but wanting in aptitude and experience, and men of aptitude and experience known to be dishonest, I should unhesitatingly choose the crook rather than the fool; either for bank president or congressman. Banks seldom fail because of dishonesty. Banks fail because of bad management. The thief may steal a little of the cream but the careless and the inexperienced spill the milk.

Thus far in our history no man has ever walked the street in vain for work, no man has gone home to find his wife in rags and his children crying for bread, because of dishonesty in public office. The United States can stand extravagance, it can stand graft, it has stood and is standing the most reckless abandon in all its financial expenditures. The worst this nation has yet encountered—and may the good Lord save us from anything more dreadful—is incompetency in the halls of legis-

lation. Extravagance and graft stalk forth at noonday when incompetency occupies the seats intended for statesmen.

None but bolsheviki would consider subjecting an army to democratic command. The personnel of an army may possess equal patriotism without possessing equal aptitude for war. Recent experiences have only emphasized what was said more than a thousand years ago: "An army of asses commanded by a lion will overthrow an army of lions commanded by an ass."

Strange, is it not, that every one should recognize this principle when applied to an army and to business, and an overwhelming majority overlook it when applied to governmental matters?

CHAPTER IV

EXPECTATIONS REALIZED

The capacity of the people to select representatives wiser than their constituents illustrated by historic facts.

America has passed through several crises, and each time has been saved because the people's representatives were wiser than the people. In this respect, the expectation of the Fathers has been realized. I will mention but three instances.

During the Civil War the government resorted to the issuance of paper currency, commonly called greenbacks. While conservative people assumed that these greenbacks would be redeemed whenever the government was able, nevertheless, there being no express provision for their redemption, they went to depreciation, and passed from hand to hand far below par. All this resulted in inflation which inevitably led to a period of depression.

In this connection it is well to remember that whenever we have had a period of depression, and whenever we shall have such a period, there

always has been and ever will be a group of people with a panacea for our ills. During the period referred to, a political party, calling itself the "Greenback Party," came into existence and advocated the issuance of an indefinite volume of irredeemable paper currency which, in their ignorance, they called "money." The specious argument was to the effect that when "money" can be made on a printing press, it is silly to have less than enough. They expressly advocated issuing all the currency the people could use without making any provision for its retirement. Whenever the people wanted more, they proposed to print more.

Fully seventy-five percent of the American people, without regard to political affiliation, favored some phase or degree of "greenbackism." While much of this sentiment failed of crystallization, quite a number of congressmen were elected on that issue. If the direct primary law, with which most of the states are now cursed, had been in force at that time, it is probable that no man could have been nominated for Congress, by any party, who was not avowedly in favor of inflation by some method. But the people were saved from themselves exactly as the Fathers had anticipated. The representatives of the people, being wiser than the people, refused the people

what most of them desired and gave them what they needed, resumption of specie payment.

Again, in the '90's we had a period of depression, and the panacea then recommended was the free and unlimited coinage of silver, at the ratio of 16 to 1 with gold. The difference between "greenbackism" and "free silverism" was simply one of degree. The greenbacker desired the government to print the dollar mark on a piece of paper, thus producing currency one hundred percent fiat, while the free silverite asked that the government stamp the dollar mark upon a piece of silver, thus producing currency fifty percent fiat.

Fully nine-tenths of the American people desired the free and unlimited coinage of silver. William McKinley, willing as he was to run for president on a gold standard platform in 1896, when in Congress had voted for a clean-cut free silver measure. The lower house of Congress actually passed a free silver bill. But, exactly as the Fathers expected, the people's representatives in the Senate, wiser than the people who had placed them there, refused the people what ninety percent of them wanted and gave them what one hundred percent needed—sound money.

Outside of Russia, there is scarcely a man in all the world who would now recommend the issu-

ance of irredeemable paper currency, what three-fourths of the American people wanted in the '70's; and there is not more than one man in all the world who would now recommend the free coinage of silver, what four-fifths of the American people wanted in the '90's.

The direct primary in 1896 would have nominated a free silver republican, and a free silver democrat in each and every congressional district of the United States, and we would have had a solid free silver House. If the United States senators had been then elected by the people, preceded by a direct primary, the Senate of the United States would have been solidly for free silver; and we would have passed, as everyone now recognizes, to financial ruin. We were saved, because the United States of America was a republic and not a democracy—because, if you please, we had representative and not direct government.

More recently, Germany and the Central Powers made war upon the United States. This they continued for more than two years. Finally, the President, in his message of April 2, 1917, advised Congress to "declare the course of the Imperial German Government to be, in fact, nothing less than war against the country and the people of the United States." A resolution to that effect was thereupon passed on April 6, 1917.

If the proposition of going to war with Germany had been submitted to a direct vote of the American people, under a referendum, they would have voted against it, two to one, and in many localities and cities, four to one. Again we were saved, because we had a republican and not a democratic form of government. We were saved because our representatives proved wiser than their constituents.

CHAPTER V

INDEPENDENCE OF THE REPRESENTATIVE

The effect of popular instructions to representatives discussed and illustrated.

The Fathers never intended that the people should legislate, interpret the laws or administer justice. They did provide, however, that the people should choose their legislators, their judges and their executives. They sought also to render impossible any interference with the independence of these representatives. Judges are not expected to inquire of bystanders how questions of law shall be decided, or what decrees shall be rendered, or what punishments imposed.

The Fathers did not anticipate that executives would hold their ears so close to the ground as to become nests for crickets. I do not mean to be understood, however, as intimating that the buzzing of insects has never been mistaken for the voice of the people. Members of the House and the Senate were not supposed to conform to Doolley's definition of a statesman: "One who watches

the procession until he discovers in which direction it is moving and then steals the stick from the drum major." The Fathers expected officials to be as independent of the voters who select them as officers of a corporation are independent of stockholders.

In proof that Washington did not consider the delegates to the Constitutional Convention bound to follow the wishes of the people they represented I cite what Gouverneur Morris quotes him as saying: "It is too probable that no plan we propose will be adopted. Perhaps another dreadful conflict is to be sustained. If to please the people we offer what we ourselves disapprove, how can we afterward defend our work? Let us raise a standard to which the wise and the honest can repair; the event is in the hand of God."

Suppose the state should engage in banking. A doorkeeper, a bookkeeper and a president would be necessary. But if the president sought instruction from the street, the bank would be short-lived. If a body of stockholders were to enter a bank, as now operated, and demand a loan without security, either for themselves or for some needy fellow creature, the president would probably say, "You can have another president any day you please, but while I am president, you will

furnish collateral." Otherwise, there would be no bank.

L. Q. C. Lamar used to say to his constituents: "If you desire me to represent you in Congress, I will do so." Then, with becoming dignity and in absolute harmony with the principles of the republic, as established by the Fathers, he would add, "But do not, for a moment, suppose you can stand between the plow handles during the day and tell me how to vote." Evidently Mr. Lamar expected to study public questions and to be better informed than his average constituent.

Later, the legislature, recognizing his ability, sent him to the United States Senate. Here he opposed greenback legislation which was favorably considered by the people of Mississippi. Thereupon the legislature passed a resolution demanding either that he vote in harmony with the sentiment of his state, or resign. He refused to do either, but continued to speak, and to vote his convictions based on knowledge. Before his term expired, the wisdom of his course was recognized and he was re-elected to the Senate by the very men who had sought to direct his action in a matter wherein they had no jurisdiction and he had supreme responsibility, and concerning which they knew nothing, while he knew much.

Following the Civil War impeachment pro-

ceedings were instituted against Andrew Johnson. Because of the known prejudices of the people of Iowa, Senator Grimes of that state was expected to vote "guilty." He voted "not guilty," and his colleague asked him, "Do you think you are expressing the sentiment of the people of Iowa?" The grand old Roman replied: "I have not inquired concerning the sentiment of the people of Iowa. I vote my convictions." That would be political suicide today.

A few years ago proceedings to expel a certain senator were pending and several of his associates, after hearing the evidence submitted to them in their judicial capacity, expressed the conviction that the accused was innocent, but, because of the prejudices of their states, they would have to vote for expulsion. Senator Depew told me of a member who actually cried as he contemplated voting to expel a man whom he believed to be innocent.

I would like to ask how long you think the United States of America can maintain her proud position among the nations of the world, if oath-bound representatives of the people accept popular sentiment as the guide of their official conduct.

At the unveiling of the monument to Elijah Lovejoy, a letter was read from Wendel Phillips containing this sentence: "How cautiously most

slip into oblivion and are forgotten, while here and there a man forgets himself into immortality." In these most trying times our greatest need is men in public life whose ears are always open to counsel but ever closed to clamor—who will approach pending problems that threaten our very existence, with no other care but their country's weal. The corner stone of freedom, as laid by the Fathers, is the absolute independence of the representative, coupled with the unimpeded right of the people to choose again at brief but appropriate intervals.

HOW WOULD YOU BUILD A SUBMARINE?

Suppose the government should delegate to some congressional district the responsibility of building a submarine. Would anyone think of undertaking the task except on the principle of a republic? You would select some man of mechanical aptitude, plus mechanical experience, and you would hold him responsible for the result. Would you require your representative when selected to listen to popular sentiment, as expressed on the street corners or in the press? Would you have him submit his plans and blue prints to the "people," by referendum or otherwise?

We all admit that some men know more about farming than others, some more about commerce

than others, some more about science than others, but the sentiment is alarmingly general that in the realm of statecraft—the most complex subject ever approached—one man is just as wise as another. At Detroit, Michigan, during the campaign of 1916, Woodrow Wilson used this language: “So I say the suspicion is beginning to dawn in many quarters, that the average man knows the business necessities of the country just as well as the extraordinary man.”

I do not wish to question Mr. Wilson's sincerity, though I am not unmindful of the fact that he spent the greater part of his active life in college work trying to produce “extraordinary men,” and in that field he was quite successful. Taking issue with his position, but not with his sincerity, I am going to insult popular sentiment and say that I believe there are many men competent to select a competent constructor of a submarine, who are not competent to construct a submarine, or competent to instruct a constructor of a submarine.

But, suppose the people should build such a craft on the principle of a democracy, each one doing what seemed to him wise, without dishonesty or graft. I have no question but that a submarine would be produced that would “sub,” and I am equally certain that it would stay “subbed.”

I want to ask whether, in your opinion, the ship of state—the government of the United States—is any less complicated, any less complex or any less likely to “sub” and stay “subbed,” exactly as each and every republic for twenty-five hundred years did “sub”—if placed in the hands of an inexperienced mass of experimenters in statecraft.

Think this out for yourself. This is your government quite as much as mine, and it will be your government long after the conservative “Old Guard” have left the field of human activities.

CHAPTER VI

TREND OF THE TIMES

A consideration of the constitutional guarantee that each state shall have a republican form of government, and the warning of Washington against making changes in the constitution.

Both the trend of thought and the current of events are away from representative government and toward direct government.

Legislating by initiative or by referendum, the recall of judges, and especially the recall of judicial decisions, come dangerously near constituting a democratic form of government, against which the Constitution of the United States guarantees. Its language you remember: "The United States shall guarantee to every state in this Union a republican form of government."

Chief Justice Taney, interpreting this section, said: "It rests with Congress to decide what government is the established one in a state, for, as the United States guarantees to each state a republican form of government, Congress must necessarily decide what government is established

in the state before it can determine whether it is republican or not.”¹

Chief Justice Waite used the following language, the vital sentence of which I have italicized: “All the states had governments when the Constitution was adopted. In all, the people participated, to some extent, *through their representatives selected in the manner specially provided*. These governments the Constitution did not change. They were accepted precisely as they were and it is therefore to be presumed that they were such as it is the duty of the states to provide. Thus, we have unmistakable evidence of what was republican in form within the meaning of that term as employed in the Constitution.”²

It is well to note that this participation in their government, which the learned Chief Justice mentions, was “*through their representatives*,” and in no other way.

More than one state has been required to change its constitution before admission into the Union. Congress refused to admit Arizona under a constitution providing for the recall of judges and judicial decisions. It smacked too strongly of direct government. After her admis-

¹Luther vs. Borden, 7 Howard 1.

²Minar vs. Happersatt, 21 Wall 112.

sion, however, she amended her constitution and inserted the socialistic—the “democratic”—provisions, the elimination of which Congress had made a condition precedent to admission.

In his work, “The State,” Woodrow Wilson calls attention to the fact that constitution-making is fast becoming “a cumbrous mode of legislation.” The record in many states justifies this comment.

At the election of 1918, in the state of California there were submitted through referendum nineteen proposed amendments to its constitution, no one of which legitimately belongs in a constitution. They were simply legislative acts sought to be inserted in the organic law, or state charter, for the sole purpose of rendering them more difficult of repeal when proved bad. The “people” had so little confidence in themselves that they deemed it imprudent to trust to their wisdom whether a law should be continued when found beneficial or repealed when its effects were evil, and hence sought to tie their own hands by placing the act in the constitution instead of in the revised statutes.

George Washington, with prophetic vision, foresaw and in his immortal Farewell Address warned against this tendency towards evolutionary revolution and employed this language, the

last sentence of which I feel certain he would today italicize:

“Towards the preservation of your government and the permanency of your present happy state, it is requisite not only that you speedily discountenance irregular opposition to its acknowledged authority, but also that you resist with care the spirit of innovation upon its principles, however specious the pretext. *One method of assault may be to effect in the forms of the Constitution alterations which will impair the energy of the system and thus to undermine what cannot be directly overthrown.*”

This trend towards a democratic form of government, or direct government, finds fitting illustration in the fact that if you were to locate a homestead in any one of several states, prove up and secure your patent, and someone should contest your title, and the court should find the land belonged to you, and should render decision accordingly, the people might reverse this decree and give the land to the contestant. It is not a question whether they are likely to do such a thing. The fact that the people in several states have deliberately provided the machinery by which they can thus defeat justice, constitutes a perpetual menace that should adversely affect the market value of all real estate in those states.

When title to property is made to rest upon the sentimental whim of the masses, as distinguished from a decree of court, liberty itself is rendered unstable and organized government is abandoned and socialism is substituted.

CHAPTER VII

CONSTITUTIONAL LIBERTY

The necessity for organized government and organized justice as a guarantee of constitutional liberty is sought to be shown. Plato's dream, Macaulay's dire prediction and a threat.

A democratic form of government precludes the possibility of constitutional liberty. Constitutional liberty does exist in what Professor Giddings calls a "democratic state," but cannot in what the same author calls a "democratic form of government." His admittedly correct differentiation cannot be too often repeated.

"A democratic state," says this high authority, "is popular sovereignty," while "a democratic form of government is the actual decision of every question of legal and executive detail by a direct popular vote."

I grant the formality of a constitution may exist under a democratic form of government, but where all functions of government are exercised directly by the people, necessarily there can be no tribunal to enforce the provisions of a constitution. Let me illustrate.

Suppose, if you will, that an uninhabited island has been discovered, and a government is about to be formulated preliminary to its occupation. Undoubtedly, we would agree that the sovereignty of the island should be vested in the people. This, according to Professor Giddings, would make it a "democratic state." The next question would be whether this sovereignty would be exercised directly or through representatives. Shall it be a democratic form of government, or a republican form of government?

Someone would propose that a majority should rule. If I were present, I would promptly suggest that the rights of majorities always have been, and always will be, secure. Minorities, not majorities, need protection. I would ask what protection is to be given me, or anyone who may prove an undesirable citizen. Will we be thrown into jail and kept there indefinitely, without trial and without knowing the cause of our incarceration? Such wrongs were common for centuries and are perpetrated by bolshevists, and defended by socialists today. Very likely the assembly would then promise a speedy trial, with right to summon witnesses, and to be confronted by one's accusers, and other safeguards of liberty such as are now guaranteed in the Constitution of the United States, and that of every state.

But this would not satisfy me. I would ask "How do I know that this promise will be kept?" Then, doubtless, the right to a writ of *habeas corpus* would be promised. And this would not satisfy me. I would ask: "By whom will it be issued, and by whom enforced?" Before we were through, it is quite probable we would create a tribunal, clothe it with greatest dignity, segregate it from the affairs of business and safeguard it against political influence, and for want of a better name, we would call it "The Supreme Court of the Island." This court would be clothed with authority to grant and enforce not only writs of *habeas corpus* but any and all other orders and decrees and judgments necessary to protect the minority, even though a minority of one, in his every constitutional right. (See note, p. 56.)

TREASON AS AN ILLUSTRATION

Treason is the only crime defined in the Constitution. Prior to the year 1352 there was great uncertainty in England as to what constituted treason, and Parliament, for the purpose of restraining the power of the Crown to oppress the subject by arbitrary construction, passed, in that year, what is commonly known as the "Statute of Treason." All acts that might be construed treasonable were classified under seven branches. The

framers of the Constitution, desiring to protect the minority, chose only one of the seven and placed a perpetual bar against any other act being made treason, and further safeguarded the minority by defining the only basis of conviction. Section 3, Article III, is as follows:

“Treason against the United States shall consist only in levying war against them, or in adhering to their enemies, giving them aid and comfort. No person shall be convicted of treason unless on the testimony of two witnesses to the same overt act, or on confession in open court.”

Now, suppose confiscationists, whether styling themselves socialists, bolsheviki, single-taxers, or non-partisan leaguers, shall get control and, by referendum, extend the scope of treason to include such offenses as claiming title to real estate, which all the breed insist rightfully belongs to the people *en masse*. Far less degrees of what they consider “crime” were made punishable by death when democracy went mad in France. Of what use would the express provisions of the Constitution be if the power to recall decisions, as well as the judges who render them, is to be exercised by the mass?

Leave it to the people to afford protection from the people and you might just as well abolish all constitutional guarantees. Were the people *en*

masse to make the laws, *en masse* to interpret the laws, and *en masse* to enforce the laws, the individual would have no rights that the people *en masse* would be bound to respect.

SOVIET RUSSIA AND AMERICAN REVOLUTION

In a widely circulated pamphlet, "A Voice Out of Russia," the author speaks of "a certain divine sense in which the Russian revolution parallels the revolt of the thirteen American colonies, and in which the proletariat of Russia is striving to accomplish for his world much the same ideals which our forefathers laid down for theirs. There was," he says, "more of the spirit of the people, more of faith and dependence in the proletariat, in American revolutionary doctrines, than we seem disposed to admit today; and by the same token, it is because we have lost our sense of fundamental democracy that we do not care to admit it."

"Fundamental democracy" is the correct term. But we have not lost it. We are simply in danger of getting it. It is exactly what the Fathers sought to eliminate and prevent.

On the next page of the pamphlet, the author says: "The writers of the American Constitution certainly strove to do away with the artificial complexities of politics, and to bring every function

of government within the grasp and comprehension of the whole electorate.”

I submit that that is exactly what the framers of the Constitution did not seek to do. They created representative government and sought to guard against direct government. The author quoted, and every other teacher of revolution, either by peaceful or violent means, is seeking to establish direct government. When they use the word “democracy,” they use it in its dictionary sense. They use it as Rousseau, Robespierre, Lenine, Trotsky and a very large number of others, including some widely known Americans, use it. Why do liberty-loving Americans seek to divorce the word “democracy” from its original meaning and popularize the greatest enemy liberty has ever known?

PLATO’S DREAM

One of the best and most conservative newspapers in the United States printed late in 1918 a carefully written editorial under the above title, from which I quote a few disconnected sentences, italicizing the most important:

“Twenty-five hundred years ago in Athens, Plato, the philosopher, who is called the ‘father of idealists,’ framed the structure of an ideal government among men, in the form of a republic.

. When the dust of Plato was gathered into a Grecian urn, his dream did not die. The generations harbored and treasured it. Time after time, and in place after place, republics were formed. Men gave their blood and their lives to realize the dream of Plato. But always might prevailed over them. Only America endured to make the dream come true. In these times there are numerous republics but there is not one among them that does not owe its existence to the example and the influence of the United States. Were our republic to crumble, every other on earth would crumble with it. Since the adoption of the Constitution in 1789, one hundred and thirty years have passed and *during that time America has met and overcome every trial to which the ideal republic could possibly be subjected*. It has answered every argument against a republican form of government advanced by the most stubborn objectors."

The foregoing is historically correct except the last two sentences. America has stood every test except that which ruined every other republic. It has not yet encountered *direct government*, towards which we seem radically tending. It has not withstood what Lord Macauley, a century ago, predicted would prove our overthrow. He declared the republic was "all sail and no ballast."

He predicted great speed for a period; but he warned against the day when those who did not have breakfast and did not expect dinner would elect our congress and our president. The demagogue would be abroad in the land and he would say: "Why do these have and you suffer?"

"Your republic will be pillaged and ravaged in the 20th century, just as the Roman Empire was by the barbarians of the fifth century, with this difference, that the devastators of the Roman Empire, the Huns and Vandals, came from abroad, while your barbarians will be the people of your own country, and the product of your own institutions."

If "Coxie's army" had been led by Eugene Debs, or any one of more than a score whose names are revered by many, instead of by a patriotic American, every mile of the road over which it traveled would have reeked with human gore. Had it resorted to bloodshed at that time, however, it would not have proceeded far. But socialism has made great progress since 1895.

Speaking before a Senate committee early in January of this year, the president of the American Federation of Labor is reported to have said: "The people will not countenance industrial stagnation after the war. There can be no repetition in the United States of the conditions that pre-

veiled from 1893 to 1896 when men and women were hungry for the want of employment."

The same veiled threat has been uttered repeatedly by men high in official position.

Are we face to face with a condition and not a theory? Will laborers revolt if they fail to secure employment, or when compelled to accept a lesser wage? Will farmers turn anarchist if they can find no market for their crops, or when compelled to accept a lesser price? Will bankers become bomb throwers if unloanable funds accumulate? No, America has not withstood every trial to which she can possibly be subjected. The supreme menace stands today with gnashing teeth, glaring into our faces.

NOTE TO SECOND EDITION—So much popular objection is made to the holdings of Federal and State courts that certain statutes are "unconstitutional," I deem it important to emphasize the thought expressed on page 50. Unless some tribunal has authority to determine when the Constitution has been transgressed, a constitution is of no use whatever. We might as well entrust ourselves to the whim of the people in the first instance as to permit the people to legislate our rights away. Why the formality of legislation if there is to be no restriction upon the sudden impulse of legislators? The surest protection we now have against the threatening wave of radicalism is the restraining hand of the Supreme Court of the United States.

CHAPTER VIII

WHAT IS A CONSTITUTION?

The nature of the constitution and the dependence of the minority thereon and hence the necessity for an independent judiciary discussed and illustrated.

A constitution is little less than a firm and binding contract between the majority and the minority, entered into for the sole protection of the minority, with regularly constituted courts to enforce its provisions.

The Supreme Court of the United States, from which every root of the Judiciary Department—one of the three coordinate branches of government—derives its vitality, is our only continuing and unchanging bulwark of liberty.

The executive branch, from President down through all the departments, State, Treasury, War and Navy, is liable to radical change on the fourth day of March every four years. Either house and both houses of Congress frequently change in partisan complexion at a single election. The Supreme Court, the members of which hold

by life tenure, remains, theoretically, at least, unchanged.

Unless the people undermine their liberties by "effecting in the forms of the Constitution alterations which will impair the energy of the system," which Washington warned against, or unless some executive corrupts the personnel of the Supreme Court by filling vacancies with socialists, or other revolutionary elements, Anglican liberty, the hope of the world, is secured in America against everything except bolshevism. With respect to the courts, Washington's famous order is pertinent: "Place none but Americans on guard tonight."

WHO IS AN AMERICAN?

Who is an American, worthy to be placed on guard tonight? Is he American born? He may be, and he may have been born beneath any flag and under any sky. An American is one who believes in and is ready to defend this *republic*. To be ready to defend our territory, or even our flag, is not enough.

Though we continue our socialistic bent and either undermine or overthrow our form of government through peaceful evolution or forceful revolution, with sword or by ballot, the land will remain. The rains will water it, the sun warm

it, human life will exist, the Stars and Stripes will still float, but, except from the map, America will be gone forever.

America is more than fertile fields, more than bursting banks, more than waving flags. The America in which one must believe, and for which he must sacrifice, is constitutional liberty and justice according to law, guaranteed and administered by three coordinate branches of government. Just in proportion as we weaken the energy of the system through changes in the Constitution—which Washington so earnestly warned against—we undermine what thus far no one has succeeded in overthrowing.

I repeat, three coordinate branches of government with no subordinate branch! In the America which the world knows, and which we love, laws must be enacted by the legislative branch, and not by the executive or by the proletariat. Laws must be interpreted by an independent judiciary, fearless and unrecallable except by impeachment. And these laws, whose scope is limited by the Constitution, must be administered by the executive and not by the legislative branch. Congress has no more right to direct the manner of execution of its acts than the president has to direct or coerce the nature of its acts. Let each coordinate branch keep

hands off the sacred prerogatives of the other. That's America! And the man who defends her traditions and her institutions, regardless of his nativity, is an American who can safely be placed on guard tonight.

AN ACTUAL MENACE

On February 3, 1919, an editorial writer who has testified that he has six million or more readers, quoted Samuel Gompers, president of the American Federation of Labor, as saying:

"I mean that the people propose to control their government and do not intend any longer to have the governing power exercised by judges on the bench."

And the editor correctly adds:

"This is as near to an American revolutionary statement as has ever come from a man as important officially as Mr. Gompers."

Thus the issue is sharply drawn. This organization, if its president has been correctly quoted, intends to abolish one of our coordinate branches of government, to-wit, the courts.

What have the courts done to justify such a radical change in our form of government? When the government was organized the Fathers thought wise to make express provision that no class should ever become the special favorite of

legislation. The Constitution forbids class legislation and the courts enforce it. Unless labor union people demand special exemptions from obligations to which all others are amenable, or special privileges denied to others, why do they officially make the revolutionary announcement that the courts are to be abolished? Yet this very thing has the approval of this most widely known and best-paid editorial writer in the world. Pressed in a corner, I presume both would claim that their only desire is to compel the courts promptly to observe popular sentiment instead of studying legal principles and, to that end, propose to subject judges to some kind of recall. And they would doubtless justify all this by the hackneyed phrase, "the people can be trusted."

Thus they follow Rousseau and Robespierre. The former declared, "The general will, the public will, is always right." The latter said, "The people is infallible."

A case that well illustrates this "popular infallibility" as taught by Rousseau and Robespierre, as well as by their present day disciples, occurred in a certain county in Iowa, not fifty miles from my home. A person charged with second degree murder sought his constitutional right of a fair and impartial trial. He made application for a change of venue, alleging that his

case had been prejudged and that because of the existing prejudice he could not obtain a fair trial within that county. Five citizens, the minimum requisite number, supported his motion by their affidavits. Promptly, two hundred most reputable citizens filed counter affidavits alleging that there was no prejudice whatever. The judge believed the five. It is probable that he discerned evidence of prejudice in the eagerness with which the two hundred sought to have the case tried in their midst. A change of venue was granted, and that night these two hundred liberty-loving citizens decided they would "no longer have the governing power exercised by judges on the bench," broke open the jail, hung the accused and would have done violence to the judge if he had not been spirited away.

If you want the opposite view of "popular infallibility," so you may the better determine for yourself, listen to Colonel Henry Watterson, a democrat of the old school and an American always, in the *Brooklyn Eagle* of February 1, 1919:

"The people," says Colonel Watterson, "*en masse* constitute what we call the mob. Mobs have rarely been right—never, except when capably led. It was the mob of Jerusalem that did the unoffending Jesus of Nazareth to death.

It was the mob in Paris that made the Reign of Terror. From that day to this, mobs have seldom been tempted, even had a chance to go wrong, that they have not gone wrong. 'The people' is a fetish. It was the people misled, who precipitated the South into the madness of secession and the ruin of a hopelessly unequal war of sections. It was the people, backing if not compelling, the Kaiser, who committed hari-kari for themselves and their empire in Germany. It is the people, leaderless, who are now making havoc in Russia. Throughout the length and breadth of Christendom in all lands and ages, the people, when turned loose, have raised every inch of hell to the square inch they were able to raise, often upon the slightest pretext, or no pretext at all."

OFFICIAL TIMIDITY AND ITS EFFECTS

In some, perhaps most of the states, candidates for either House of Congress, knowing in advance that if, by investigation and by listening to arguments pro and con, they arrive at conclusions based on knowledge that differ from the impressions of their constituents based on prejudice, they will never be returned, make more or less formal announcement that, if elected, they will study no question but, when ready to vote, will inquire of those who have had neither oppor-

tunity nor desire to inform themselves, and vote as directed. We pay congressmen and senators of this type—just the same as statesmanlike representatives—seven thousand, five hundred dollars a year, and they vote as they are told to vote. If I am correctly informed, in some states men have been found who will vote as they are instructed for considerably less money even than that.

While the bill was pending to declare war against Germany, I called upon a Congressman who, without question, is the ablest man from his state. He had written to lawyers, bankers, farmers and labor men in his district, asking how he should vote on that momentous question. He handed me a package of replies he had received. I returned them and asked: "Do you agree with the President that Germany is already making war upon the United States?" "Yes," he replied, "she has waged war against us for more than two years." "Do you think your constituents know better than you what should be done?" His up-to-date reply was: "My constituents know nothing whatever about it, but I want to be re-elected."

But not every congressman is that subservient. A certain well-known representative of a strongly German district in Ohio explained his

support of the declaration of war in this language:

"If I were to permit any solicitude for my political future to govern my action, I might hesitate, but, gentlemen of the House, the only interest to which I give heed tonight is the interest of the American people; the only future to which I look is the future of my country."

A few years ago a bill was pending to revise the tariff and a member of Congress from a certain industrial district arose and informed the House that he had written to several labor men in his district and asked them how he should vote and that he had received a telegram saying, "Vote for the bill." He obeyed. This member did not profess to vote his convictions. In fact, he did not claim to be troubled with convictions. And I submit that if a man is to vote the sentiment of his district, rather than his judgment, it is foolish to waste the time of men of judgment by sending them to Congress. It would be more appropriate and in far better taste to send men who have nothing else to do. A thousand dollars a year ought to be enough for a man who bears no responsibility except to listen well, especially if he be of a caliber willing to act as a "rubber stamp" for the people at home.

Right here I want to venture an opinion, ask-

ing no one to agree with me: The gravest danger that confronts the United States of America, or that has confronted her in the last decade, has not been the armed forces against which we sent our brave boys in khaki, but in the fact that there are hundreds of representatives, and thousands of ambitious politicians, who cannot be purchased with the wealth of Croesus, but who will vote for anything and everything if by so doing they can advance their political fortunes.

Bolshevism would be crushed and the red flag of anarchy would be no longer flaunted in the face of Freedom, were it not for this timidity inspired by those who insist that their representatives shall have no discretion and no responsibility except as clerks for an irresponsible populace. This is the doctrine taught in Rousseau's "Social Contract," which Robespierre read every day and which furnished the inspiration for the French Revolution. His scheme was "pure democracy, unchecked, unlimited and undefiled by political leadership or political organization."

Marat declared: "In a well regulated government the people as a body is the real sovereign; their deputies are appointed solely to execute their orders. What right has the clay to oppose the potter." Again, he says: "It is a sacred right of constituents to dismiss their

representatives at will." And again: "Reduce the number of deputies" (corresponding to our members of Congress) "to fifty; do not let them remain in office more than five or six weeks; compel them to transact their business during that time in public."

This spirit of "pure democracy" which Washington, with prophetic eye, saw and warned against, wrought its natural and legitimate ruin in France, is responsible for conditions now existing in Russia and affords the greatest menace to civilization that the world has ever seen. I do not consider Washington a pessimist when, near the close of his "Farewell Address" with heart full of apprehension, he uttered these words:

"In offering to you, my countrymen, these counsels of an old and affectionate friend, I dare not hope they will make the strong and lasting impression I could wish; that they will control the usual current of the passions, or prevent our nation from running the course which hitherto has marked the destiny of nations."

Someone has declared life to be "one succession of choices." The choice presented today is: Heed the warnings and return to the teachings of Washington; or go with Rousseau and Robespierre and enter the port towards which we are unmistakably headed—the port where

lie the rotting timbers of all previous republics. Representative government and direct government are inherently incompatible. They are absolutely antagonistic.

PART SECOND

DANGERS FROM CHANGES IN OUR PURPOSE OF
GOVERNMENT

CHAPTER IX

PRELIMINARY

The basis of human happiness must be understood before one can judge if the policy which our government has pursued is calculated to afford liberty in the pursuit of happiness—admittedly the most important of our inalienable rights—as well as to determine whether the same should be reversed.

Preliminary to the discussion of the original design of government, and its gradual reversal of purpose, I want to present as briefly as I may, some philosophies of life. This I deem important, for only as we understand the basis of human happiness can we appreciate the wisdom of the course which the United States pursued for more than one hundred years, during which it attained the proudest position ever occupied by any nation.

It is recorded that when the first parents were being expelled from the Garden of Eden God pronounced this blessing upon the race: “In the sweat of thy face shalt thou eat bread.” I have heard this referred to as a curse, but the All-wise

Father has never cursed the race. God seems to be an individualist and not a collectivist. "Who-soever will," "The soul that sinneth it shall die," and many similar passages are as far removed from socialistic teachings as is possible. They are the exact opposite. After some years of experience and much observation, I feel justified in saying that, barring the promise of redemption, the greatest blessing God Almighty ever pronounced upon the race of man was when he said: "In the sweat of thy face shalt thou eat bread."

Then God promulgated a great commandment containing two injunctions, the first of which the church seeks to enforce. It reads: "Remember the Sabbath day to keep it holy." The second, equally important and as woefully transgressed, says: "Six days shalt thou labor." I know people who violate each of these injunctions. They break the Sabbath and will not work the other six days.

We also read that when God had made the worlds and swung them into space, he pronounced them "Very good." It is but reasonable to believe, and certainly reverent to say, that the Great Jehovah got divine satisfaction and gratification from his creatorship, and his sovereignty. When, in the fullness of time, He made man in His own image, wanting to provide for man's happiness,

He harked back to the thrill of creatorship and gave man the capacity for the maximum of happiness from his creatorships, his sovereignties, his achievements.

One needs but little observation to recognize that achievement is the basis of man's material happiness. How often we hear men say: "This was raw prairie. I made this farm." "I planted this grove." "I started this store." "I established this bank." "I built this factory." I remember very well Sir Thomas Lipton telling me where, as an immigrant with but fifty cents in his pocket, he spent his first night in New York City. There is something more than a joke in the statement that "self-made men are apt to be proud of the job."

Nothing will develop manhood in a boy like giving him a pig, a calf, a lamb or even a rabbit. My! how a boy will grow in self-respect when permitted just to call a colt "his," and to feel the resultant sense of proprietorship. The establishment of gardens for boys, and the offering of prizes for the best acre of corn grown by a boy, is the best "uplift work" that was ever attempted. Until very recent years the public has never sought to apply these principles of mental philosophy to the development of manly character in the young.

As soon as the savage feels this divinely implanted impulse for ownership and achievement, he is on the road towards civilization. Then, as he advances, "individualism" becomes more marked and instead of living in a hut, wearing braided grass and eating his meat and fish raw, he improves his condition and inequality begins. Is civilization a failure? It must be if socialism has any place in divine economy.

CHAPTER X

NO COMPETITION BETWEEN THE SEXES

A brief discussion of the distinction between women as voters and as statesmen.

While this chapter is parenthetical and is not essential to the argument, yet a discussion of the philosophy of human happiness would be incomplete without it.

If man had the power of creation his present wisdom would cause him not only to omit competition between the sexes, but he would avoid the possibility of even rivalry. The Creator in His wisdom did not put the sexes in competition and man can neither improve nor amend.

Occasionally a woman develops a beard, but it is so rare that she usually enters a museum. Many years ago I saw a woman with a well-defined "Adam's apple." But none of us admire either "mannish" women or "sissy" men.

Woman does not get her happiness from her creatorships or sovereignties. The normal woman prefers that her husband be the sovereign, and she his queen. Woman gets her happiness from her

sacrifices. She gives herself to husband, to children, to home, to church, to hospital, to good deeds, and out of these sacrifices she gets the maximum of her happiness. A boy asked the butcher for tough meat and gave this reason: "If I get tender meat, dad'll eat it all." That would be a libel upon woman. We have each seen a thousand times where mother was getting more happiness in picking the neck and the back than the children in eating the white meat, while dad grabbed both upper joints.

But there is another side to this. When dad is refreshed, when his blood is red, when he is a full-grown normal man, what does dad do? He bears all the hardships and all the dangers this world holds in store; he freezes in the arctics, he melts in the tropics, that he may bring to those he loves the choicest of earth, and adorn his queen with the brightest jewels that glitter.

I have never supposed that when our early ancestors were confronted with danger that there was any controversy as to who should defend the other. I have assumed that she as instinctively sprang to his left, as he to her right, that *his* sword arm might be free. His name was John. Her name was Mary. His brother's name was Peter; he married Margaret. Each pair named their son Ole. There being two Oles in the tribe, a

distinguishing name was necessary. Do you suppose there was a family controversy to determine whether one should be called "Ole Johnson" or "Ole Maryson"?

No, woman does not wish to be the head of a clan, or to create or to possess, but she does desire that her husband shall be a chieftain, a builder and a landlord, and is willing to make any sacrifice to that end. Woman wants to be loved and, incidentally, let me say, needs to be told that she is, in the tenderest way, and more than once. If told sufficiently often, she is even proud to be a slave to the man who loves her and sometimes is without ever receiving a single post-nuptial word of endearment.

I doubt if anyone would favor woman's suffrage if he thought it would result in changing woman's nature, or in making her masculine in manner. "Man's chiefest inspiration to well-doing is hope of companionship with that sacred, true and well-embodied soul—a woman"—only because an All-wise Creator made the sexes as unlike as possible and still keep them both human.

"For woman is not undeveloped man,
But diverse. Could we but make her as the man,
Sweet love were slain."

Only one woman has occupied a seat in Congress and I am glad to record that she remained

womanly, and the other members manly. In that respect the experiment was harmless. She was permitted to violate the rules and to interrupt a rollcall to explain her vote. Neither the Speaker nor the members called her to order. Perhaps they would have done so had she not been crying at the time. During a speech criticising the enforcement of law against a certain element in her state, she was asked several questions which, together with her answers, were taken down by the official stenographer. When she revised the extension of the notes for the Congressional Record, she again violated the rules and struck out the questions and answers and explained her conduct by saying: "I didn't want them in there." The congressmen affected, still chivalrous, did not even ask to have the Record corrected.

It will probably be some years before another woman occupies a seat in either house, for statesmanship is not gauged by intelligence or purity of motive, so much as by aptitude crossed on experience. Aptitude for the law, aptitude for mechanics and aptitude for statecraft, are quite rare, even among men. Many women have been admitted to the bar, and while a few have had some practice as attorneys, thus far the sex has developed no one of marked legal ability. If it should produce a lawyer or a master mechanic

or a statesman, it will not necessarily entitle the unfortunate to a place in a museum, but it will be about as rare as anything in a museum.

CHAPTER XI

PURPOSES AND POLICIES OF GOVERNMENT

In this chapter the wisdom of the Fathers is sought to be shown by the fact that they inaugurated policies and purposes admirably calculated to develop the individuality of each citizen, and to afford the greatest opportunity for the maximum of human happiness.

With these philosophies of human life in our mind, let us pass to the study of the purpose and policy of our government as shown in its history.

Imagine, if you will, that we have just won our independence, that the Constitutional Convention has been held, the matchless document there formulated has been adopted and that the United States of America has become a Nation. Then suppose all the people within our domain gather to determine the purpose and policy of their government. Will we choose the least possible government, and the greatest measure of liberty, or shall the United States become a great business concern with all its citizens on the payroll? Shall government guard the liberties of the people while they prosecute their business.

or shall the government conduct the business and the citizen guard the government?

Alexander Hamilton will attend this meeting and will make the speech of his life. Tallyrand declared Hamilton's to be the greatest intellect he ever met. In addition to well-nigh matchless mentality he probably possessed greater vision than any man of his time; and vision is the natural parent of statesmanship, if indeed it be not statesmanship itself.

Standing at the cradle of this nation, Alexander Hamilton assures Tallyrand that either Philadelphia or New York will be ultimately the financial center of the world. Back in the interior he predicts another metropolis. Eventually, he declares, the United States will extend to the Pacific Ocean and yonder on the western coast there will be another metropolis. If we build to such dimensions these must be our policies.

He continues his speech and tells us that the United States is not only destined to be the most powerful but likewise the richest nation in the world. Our unearned increment will exceed the dream of man. These lands, now worthless, are intrinsically of great value. All the minerals and all the metals will be found within our borders and these will measure untold riches. Today we

have resources unequalled in any land, and resourcefulness unmatched by any people, and he reminds us that resourcefulness, when applied to resources, will produce greatness.

Then someone in the audience rises and announces himself a bolshevist and moves that the United States retain title to all these wonderful resources until they attain their maximum value. He proposes that we tolerate no "land hogs" and permit no one to exploit the resources of America or make profit out of iron or coal or oil or even a waterpower.

Then a socialist declares this to be a concise statement of his creed and seconds the motion. Non-partisan leaguers from North Dakota, and single-taxers from California, also favor it. An anarchist joins to say that while his people are opposed to any laws, yet if laws are to be made, they should each prohibit something and none should encourage anything. Then an I. W. W. declares that this will suit him, provided he be not required to work. But the proposition is lost.

Then a preamble and resolution is offered to this effect: "Whereas, the All-wise Creator has decreed that man shall derive his greatest happiness from his achievements, therefore, with faith both in God and man and believing in America, be it resolved, that we emblazon upon the sky

where all the world shall see, the great announcement that the Stars and Stripes shall forever stand for Opportunity!" This is carried by acclamation and amid applause.

Then another moves that we give notice to every citizen, and to every person who may desire to become a citizen, that in the pursuit of guaranteed happiness, each shall have guaranteed liberty to look over our broad domain, select the biggest thing he dare undertake and, if he makes it win, it shall belong to him. This motion is carried by a rising vote.

Then a third man moves that in the development of our resources, the government shall foster everything, and father nothing. In his speech supporting the motion, he suggests that if Mr. Hamilton's prediction concerning the ultimate greatness of America proves true, men will engage in commerce; they will build ships and they will build them too large for our harbors. Then the government, in fostering commerce, will deepen and widen our waterways, but it will not father commerce and take over the ships. It will leave to the citizen the right to own the ship, to fly his flag at its mast and to get the thrill that will surely come from sailing the biggest ship that cuts the waves of ocean. Achieve and be happy! This motion is also adopted.

After these hopeful and courageous souls have thus formulated a progressive policy, a man announces his fear that he does not possess the necessary vision, and certainly not the requisite courage to accomplish any great thing and, therefore, intends to become a wage-earner, and asks the assembled citizenship of America what they propose to do for him. Being honest with ourselves we are compelled to admit that we can promise little for the present. We tell him frankly that if he is simply seeking wages, he might as well remain in the country of his nativity. We assure him, however, that if he can endure pioneer hardships until the lands have value, until the mines are developed, until means of transportation are afforded, until the unearned increment begins to appear, we will give him better wages than the world has ever seen. Have we kept faith? Let us see.

RELATIVE REWARDS OF CAPITAL AND LABOR

As late as 1840 men worked twelve hours per day for twenty-five cents, payable in cornmeal or meat, for there was no money. I can remember when fifty cents per day was a good wage. Then, when property began to have value, we started up the spiral stairway of more wage and more wage and then more wage.

What effect did this have? The world took notice and immigration increased as wages advanced. In 1907 over one million immigrants landed on our shores, and more than half with less than the required \$35.00 in cash. The next year 800,000 went back. Some of them had been here several years and others only a short time, but, in addition to what they had sent home, they took with them from three hundred to five thousand dollars each.

How about capital? For nearly one hundred years, foreign capital sought American opportunity. Foreign capital built our first railways, established our first banks, erected our first factories. But about twenty-five years ago it largely ceased to come, for it could do no better here than elsewhere. Even American capital sought employment in Mexico, China and in Canada, simply because these countries offered better rewards for capital. The records of the Immigration Department contain positive proof that for more than twenty-five years labor in this country has been relatively better rewarded than capital. Otherwise capital would have come as labor came.

This great truth ought not to be ignored. The only reason capital continued to come for one hundred years is because it could do better here than elsewhere. The only reason that it ulti-

mately went elsewhere is because it could do better elsewhere. Meantime, immigration, most of it swelling the ranks of labor, increased solely because labor received in America a relatively larger share of the profits of business and enterprise than in any other country on the map.

No one claims that even now labor receives more than its due. I am simply demonstrating the *relative* rewards of capital and labor in the United States and citing positive proof that immigrants who come seeking opportunity do not pursue a barren hope.

NOTE TO SECOND EDITION—The census of 1810 shows \$560 invested in factory and equipment for each wage earner employed, while the average wage—at that time almost exclusively men with families—was \$240 per annum. Each subsequent census has shown a larger and larger investment of capital for each wage earner employed, until in 1915 over \$3,000 in actual cash had been invested in plant, equipment and working capital for each wage earner employed. Meantime the average annual wage had increased from \$240 for men to an average of \$580 for men, women and some children. Thus in 105 years we have multiplied the average annual wage by two and one half, but it had become necessary to multiply the invested capital by six. I venture the guess that the present census will show \$5,000 invested for each wage earner, and an average annual wage of more than \$1,200. We will probably find that we have multiplied our average annual wage by five, but to do this it has been necessary to multiply invested capital by ten.

If all profits of production had been distributed to labor as and when earned—this is the present demand of organized labor—who would now furnish the necessary capital to build, equip and operate the industries? If someone rises to say “the Government would furnish the money,” ask where the Government would get it. Where does the Government now and always look for its revenue?

CHAPTER XII

THE RESULT OF THIS POLICY

The policy defined in the preceding chapter is illustrated and its wisdom shown by the logical results thereof. The source and constant course of wages is also discussed.

After spending seventy-five years of our national life in the discussion of state rights, and then four years of bloody fratricidal war, the fact that the United States of America is a nation and not simply a confederation of sovereign states was definitely determined. Occasionally, we still hear people speak of "*these* United States." But there are none. This one is all there is. The term "these United States" comes dangerously near a treasonable utterance. The court of last resort rendered its decree at Appomattox that the United States of America is "one and inseparable, now and forever."

After this perplexing question was settled, the government proceeded to foster industry in the largest possible way. For instance, certain men proposed that, if properly encouraged, they would

construct a railroad to the Pacific coast. They were reminded that only a few years before it had been said that not even a wagon road could be builded across the Rocky Mountains. "Yes," says General Dodge, "but we will build a railroad." They asked a subsidy of money, to be returned as soon as possible, and one-half of a twenty mile strip of land in perpetuity. They were given both. The land was then worthless. Do you realize that if the land that was given to the Union Pacific Railroad on condition that the road should be builded to the Pacific Ocean, had been given to the Astors, on condition that the Astors should go out and look at it each year, it would have broken the Astors. There was no way to go out to see it. In effect, the government kept most of the land for homesteaders and gave half of certain adjacent tracts to railroads on condition that they make it worth while for homesteaders to occupy the reserved portions. What is the result? The Rocky Mountain Empire, yielding all the minerals, all the metals, lumber, fruits, vegetables, with millions of people living in happy homes, and all because the government fostered enterprise and said: "Achieve and be happy."

Where there is incentive there will always be achievement.

ANOTHER ILLUSTRATION

Permit one more illustration. One thousand can be furnished as well as one. Certain men proposed to the government that on certain conditions they would build a silk mill. The government exclaimed: "A silk mill in the United States! We produce no raw silk." This was promptly acknowledged and likewise the higher wages necessary to be paid in America. Still they promised to build a silk mill if they were permitted to buy their raw silk wherever they could find it without paying anything to the government for the privilege, and, provided further, that foreigners who might bring manufactured silk to this market, in competition with the product of their mill, should be required to pay sixty cents out of every dollar received, into the treasury of the United States for the maintenance of this government, and go home contented and happy with forty cents. The government replied: "Go build your mill. If you cannot live on those terms, we will make the foreigner pay sixty-five cents." What is the result? Ninety million dollars' worth of raw silk is annually imported and forty-five million dollars are paid in wages to the workmen manufacturing it. Achieve and be happy!

WHAT BECOMES OF WAGES?

What becomes of this forty-five million dollars in wages annually paid by the silk mills of America? Every dollar of it is spent. We all spend all we get. We spend it for necessities or comforts or luxuries or taxes or foolishness, or we expend it for a house, or a bond, or we deposit it in a bank and someone else spends or expends it.

Let us assume that this particular forty-five million dollars of silk mill wages is paid to western farmers for food. The western farmers send it east for knit goods and shoes and these factories pay it out again to labor and labor sends it west again for food. How often will wages make the circuit?

A man earns, say, five dollars and spends it at night for food and clothes. The merchant spends his profit and pays the balance to the producer of food and clothes. The producer keeps it as a reward for his toil or pays it for wages. In either event, it goes again for food and clothes. William McKinley estimated that wages would thus make the circuit and come back to the wage earner ten times per annum. I believe the estimate conservative. A million men annually earning one thousand dollars each, makes one billion dollars in wages. This billion dollars going to

the merchant ten times a year and back to labor as often, makes an aggregate of ten billion dollars in trade every twelve months.

A SUMMARY OF ACHIEVEMENT

Now, hold your breath. The figures showing the material result of fifty years of applied common sense, will stagger you.

When the European war began, our farms were producing more than the farms of any other country on the map. Our mines yielded gold by trainload annually, and we unloaded from coast-wise ships and railways on the soil of Ohio alone more iron ore than any other country in the world produced. In fifty years we had builded as many miles of railroad as all the rest of the world, and these roads, before the government began fixing rates, were carrying our freight for one-third of what was charged for like service elsewhere beneath the sky. We cut from our forests one hundred million feet of lumber for every day of the calendar year, and annually pumped from the earth beneath 250,000,000 barrels of petroleum, over sixty-five percent of the world's gross product. Owing to the rapid exchange of wages for necessities and comforts and then again for wages, our domestic trade had become five times as large as the aggregate international commerce

of creation. Our shops and factories turned out more finished products than all the shops and all the factories of Great Britain and France and Germany combined, plus five thousand million dollars' worth every twelve months, and we paid out as much in wages as all the rest of the human family. Achieve and be happy!

I hope you will understand that I am not defending either our form of government or our policy. George Washington, Alexander Hamilton, Benjamin Franklin and those other immortal men, may have been blithering idiots when they chose to create a republic instead of a democracy. I only cite the fact that they did create a republic. We *might* have accomplished more had the government tilled the lands, built the ships, constructed and operated the railroads, erected the factories, opened the mines, transacted the business and put everyone on the public payroll. I only seek to make it clear that this was not done and that we did fairly well, considering.

During all this period, the government accepted as its appropriate function the protection of the citizen, while the citizen sought happiness and secured it through achievement. The government sought to protect him from murder, but did not always succeed. It tried to shield him

from robbery, but sometimes failed. It aimed to prevent extortion but was not always successful. It did its best to see that opportunity should knock once at every door, but did nothing to force an entrance or insure a second call. Still, notwithstanding errors, weaknesses and admitted inefficiency, the American citizen has been afforded better protection against all the evils that assail mankind, than the people of any other country and, in the pursuit of happiness, Americans have enjoyed far wider liberty of action, and an infinitely greater percent of realization.

CHAPTER XIII

ALL DEPENDENT UPON THE PAYROLL

The importance of the American payroll upon which all rely is emphasized, and the necessity of safeguarding this payroll is shown together with a lesson in domestic economy.

While the government has kept as few as possible in its employ we are dependent, directly or indirectly, upon the payroll. Not only the merchant and the farmer, but the professional man and banker, have suffered when, for any cause, labor has stood in the bread line. This is well illustrated by the fact that the American people consumed 5.94 bushels of wheat per capita during 1892, only 3.44 bushels in 1894 and over 7 bushels in 1906. He who had eaten at the back door as a tramp fed himself like a prince when every wheel was turning and everyone working.

These figures are also illuminating: We imported for consumption \$12.50 per capita in 1892, only \$10.81 in 1896 and \$16.49 in 1907. This may cause surprise when you remember that the minimum per capita importation of 1896 was

when the average tariff duty collected thereon was only 20.67 percent, while in 1907 the average rate was 23.28 percent. Notwithstanding the higher rate, we actually imported for consumption sixty percent more merchandise per capita than under the lower tariff rate. No more indubitable proof can be found that when labor is employed, and the payroll large, all classes and conditions prosper.

ECONOMIC PHILOSOPHY

Suppose I build a factory costing, say, one hundred thousand dollars, and enter an untried field of manufacture. I pay out two hundred thousand dollars in wages and make a net profit of fifty thousand dollars. These figures are unimportant except as an illustration. I have made fifty per cent on my investment and the world says it is too much. It is too much, notwithstanding the fact that I take all the risk, make the experiment and demonstrate the possibilities of a new industry. I also pay a wage at which my employees are glad to work. Not one of them risks a day's toil. But, because my profits are large, if for no other reason, I am certain to have competition next year.

What shall I do with my fifty thousand dollars net profit? I can eat no more than I have

eaten, and I cannot wear more than one suit of clothes at a time.

I challenge anyone to tell me how I can keep my profit away from labor except by converting it into cash and locking it in a safe deposit box. Suppose I give my daughter a big wedding and spend much money for cut flowers. Cut flowers are nature's sunshine plus management and labor. So management and labor get that. But management is compelled to spend its share as I spend mine, and thus it all goes directly or indirectly to labor. I build for my daughter a home and fill it with furniture, china, glass and silver. Both the house and its furnishings consist of lumber in the forest, ore in the ground, clay in the pit, white sand in the bank, and other raw materials, plus management, labor and transportation—and transportation is labor. Thus labor gets all except the portion which goes to management and capital, and management and capital are compelled to turn their respective shares into labor.

Here the theoretical socialist and the scientist—I mean the man who recognizes that nothing is scientific except what stands the test of experience—part company. The socialist admits that cut flowers are sunshine plus labor and as sunshine receives no portion he demands

that labor shall have it all. He forgets or refuses to recognize that without directing energy there would be no greenhouse, water system, heating plant or other essential of production. Labor and sunshine never produced anything better than a wild flower. Of course labor may and frequently does furnish the management. All the necessary equipment for the production of the various articles I have mentioned is the result of a directing genius which we call management.

Let no one accuse me of trying to deceive or cajole labor. I not only admit, but I assert, that there is far more satisfaction, though not necessarily greater happiness, in drawing dividends than wages. I have had both experiences. I am an expert, for I have either touched or seen life at every angle. I have worked to the limit, day after day, from five in the morning until nine at night for hire, with not to exceed one hour for the three meals, and have gone to bed happy. For fifteen years I was at my law office, as a rule, from seven in the morning until ten at night, and for more than thirty years of my mature life I never took a day for recreation. My wife and I are now living quite comfortably from dividends, but we look back upon those strenuous years, in which this best woman in the

world joyfully and even joyously bore her share, as the happiest period of our lives. Still I repeat, dividends are better than pay envelopes or checks from clients. And I am glad they are. The All-Wise must have designed they should be, for otherwise life would be one dreary humdrum of drudgery, with little incentive to great effort and greater sacrifice, the universal *quid pro quo* in the great one-price store of republics.

In this connection permit me to urge every man whose wakeful hours are spent in toil, to make it exceedingly clear to his children that there is more satisfaction in drawing dividends than wages. Let the youth also know that nearly every one who now draws dividends began by drawing wages. I can recall very few men whose names are or have been known beyond the confines of local communities, whether bankers, lawyers, manufacturers, merchants or railroad presidents, whose hands have not been calloused with humble toil. This is conspicuously so of Rockefeller, Carnegie, Wanamaker and Schwab, and was equally true of E. H. Harriman, C. P. Huntington, J. J. Hill, George M. Pullman, the McCormicks and practically all others who in days past rendered conspicuous service in making America.

CHAPTER XIV

AMERICAN FORTUNES NOT LARGE, CONSIDERING

A country of such resources could not be developed as America has been without great fortunes resulting. Inequality of results in every field of human endeavor, except the acquisition of property, is welcomed and approved by everyone.

I am not surprised at the fortunes that have been made in this country. On the contrary, even greater fortunes might have been reasonably expected. As I look over the matchless resources of America, the surface of which as yet has been only scratched, and the matchless resourcefulness of our people, I marvel that even greater accumulations have not been made. I have been frequently surprised that I did not make more myself. But I can account for it, so far as I am concerned. I heard of a man who said he could write as good poetry as Shakespeare, "if he had a mind to." His friends assured him he had discovered his handicap. That was my difficulty. I had the disposition, and I have had the opportunity. As I look back over the years of my mature life I recog-

nize that I have failed to heed opportunities where I might have made more money than any man has made. But I did not have the vision; I did not have the courage; I did not have the "mind to."

I can construct a highway so the worst old scrub of a horse, with his mane and tail full of cockleburs, can keep up with a thoroughbred. Yes, I can. But the mud must needs be very deep and quite thick. When the mud is sufficiently heavy, one horse can keep up with another. But when the track is improved, the horse with aptitude for speed will soon distance the old cockleburred scrub, who would, if he could talk, very likely insist there is something wrong with our civilization, and become a socialist.

We all demand good roads, though we all know that if we have good roads we will have to take someone's dust. The only way, my friend, to protect yourself from the other man's dust is to have the roads so bad he cannot pass you.

A PARABLE

During the free silver campaign of 1896, a man with a full unkempt beard and shaggy hair, after several times interrupting the speaker, fin-

ally asked in squeaky voice: "Mr. Speaker, how do you account for the unequal distribution of wealth?" The answer came with promptness. "How do you account for the unequal distribution of whiskers?" When the audience had quieted down, the speaker might have said: "My friend, I did not make that remark to cause merriment at your expense. I made it to illustrate a great truth. I was born with equal opportunity and equal aptitude for whiskers with yourself. But I have dissipated mine. Whenever I have found myself in possession of any perceptible amount of whiskers, I have dissipated them. Had I conserved my whiskers, as you evidently have, I, too, would be a millionaire in whiskers."

Tell your boys, and the boys you meet, that if ever they become millionaires in dollars or in whiskers, the chances are it will be because they conserve. John J. Blair, the pioneer railroad builder west of the Mississippi River, once told Senator Allison that the wife of Commodore Vanderbilt had many times cooked for him a five o'clock breakfast, for which she charged twenty cents. The seed from which all great fortunes have been grown was hand picked.

In the war between the states more than a million men enlisted on either side, and at the

end of four and one-half years there were fifty or one hundred multi-millionaires in military achievement and military glory and ten thousand in unmarked graves. Socialists do not object to these inequalities. While they seem to welcome millionaires in art, in music, and in athletics they all point to millionaires in business as an unanswerable indictment of America's political system. They rejoice that it can produce an Edison, but mourn that it can also produce a Rockefeller. Yet the success of these two wizards is traceable alike to extraordinary aptitude in their respective fields of achievement, plus extraordinary application. Neither of these men ever robbed me of a penny. On the contrary each has contributed to my comfort, thus adding to the worth of living, and each has cheapened for me the cost of high living. But for Mr. Edison, or someone of a different name to do what he has done, I would be deprived of electric light and many other comforts. But for Mr. Rockefeller, or some one of a different name to do what Mr. Rockefeller has done, every owner of an oil well would be pumping his product into barrels in the olden way, hauling it to town and selling on a manipulated market, while I would be deprived of a hundred by-products of petroleum, be still paying twenty-

five cents per gallon for poor kerosene, and there would be no such thing known in all the world as gasoline.

CHAPTER XV

POPULAR DISSATISFACTION

It is as logical that dissatisfaction should develop because of inequality of results in "money making," as it is that inequality in results shall follow inequality of aptitude and effort. This dissatisfaction has tended strongly to develop socialistic thought and teaching.

A century and a quarter, during which representatives were chosen because of actual or supposed aptitude, and retained in office during long periods—frequently for life—when nearly every industry was fostered, and none fathered, developed a people, the best paid, the best fed, the best clothed, the best housed, the best educated, enjoying more of the comforts of life, far more of its luxuries, enduring less hardships and privations, than any other in all history; but it is an even guess if, at the same time, we did not become more restless, discontented and unhappy.

We were not so much dissatisfied, however, with our own condition, abstractly considered, as with our relative condition. The man with

rubber heels would have thought himself favored had he not seen someone with a bicycle, and the man with a bicycle was contented until his friend got a motorcycle. The man with a motorcycle thought he had the best the world afforded until he saw an automobile and the man in the automobile was happy until his neighbor got a yacht. "All this availeth me nothing so long as I see Mordecai, the Jew, sitting at the king's gate."

I have lived some years in this blessed land and the only criticism I have ever heard, either of our form of government or our policy, is the fact that some men have got rich.

I made this statement in a public speech some months ago and asked who had heard any other. A man answered: "Some people have got poor." I admitted that I had known a number of fellows whose fathers had left them money and who had got poor, but I told the audience that most of the poor men whom I had known had simply remained poor. I asked my critic if he had ever fattened cattle. He admitted he had not. Then I assured him that he would seldom see a steer getting poor in a feed yard where others were doing well and most were getting fat, but he would frequently see one that remained poor, notwithstanding his environments.

Two men were standing by the side of the

New York Central Railroad. One said to the other: "My, see this track of empire! Four tracks, great Mogul engines taking two thousand tons of freight at a load, passenger trains making sixty miles an hour. There comes the express!" As the train passed a cinder lit in the eye of the enthusiast, when immediately he denounced the road, cursed the management and swore at all four tracks.

In a country like ours, where conditions have been superb, resources matchless and resourcefulness unequalled, none should be surprised at the speed we have developed and no one ought to use language unfit to print simply because there are cinders in the air. Admittedly there are. We have all had them in our eyes. They are more than annoying, but the only way to prevent cinders is to tear up the tracks. And it is simply surprising the number of good people who are trying to make the world a paradise through a policy of destruction.

Socialists, near-socialists, bolsheviki, anarchists, I. W. W.'s, non-partisan leaguers, single taxers, and all the infernal bunch of disturbers and propagandists of class hatred, unintentionally led and reinforced by a large percent of the teachers of political economy and sociology in our colleges and universities, seem bent upon

nothing less than a revolution in both our form of government and our policy of government. Unless something be speedily done to counteract there surely will be precipitated in America what France experienced, and what Russia is now suffering.

WHILE STATESMEN SLEEP THE EVIL ONE
SOWS TARES

In the winter of 1898 I attended a much advertised lecture by George D. Herron, then Professor of Applied Christianity in one of the largest colleges west of the Mississippi. The lecture was given in the largest church of Des Moines, on a Sunday evening, and most of the other churches adjourned their services that they might hear this "remarkable man." Several of the leading pastors occupied the pulpit with him and the pastor of the second largest church in the city introduced the lecturer, I remember, as "a Man with a Mission." He spoke at length and his utterances were applauded by a good percent of the congregation, and by several of the pastors. Of course the vile life he was living, and the viler social belief which he then and now entertains, were unknown, but his far more dangerous teachings were well known to all and approved by many. The burden of his "mis-

sion" was denunciation of what he called the "Divine Right of Property," which he compared to the "Divine Right of Kings" and predicted that as the latter had been overthrown by revolution, the former must be. It was indeed a "theory pickled in the preserving juices of pulpit eloquence and laid by against a day of reckoning." I speak of this not to criticise the good people who approved his utterances, many of whom did not comprehend what was involved, but to show the prevalence of bolshevist teachings twenty years ago. Unless he has changed he should prove very satisfactory to the bolsheviks of Russia, where at this writing he is supposed to be at the request of the President.

Quite recently the professor of political economy in one of the state universities of the Middle West, in the course of his daily denunciations of the policy of internal improvement as pursued by this government, and his condemnations of wealth and the possessors thereof, referred to the grant of land to the Northern Pacific Railroad and characterized it as a "gigantic steal." A member of his class who had had rare privileges interrupted to ask: "If the lands in this grant were so valuable how do you explain the fact that Jay Cooke, after financing the Civil War, went broke in selling Northern

Pacific Railroad Bonds, secured by both the road and the lands, at 85 per cent of par?" The professor inquired where the young man had obtained his information and was told: "From the memoirs of Jay Cooke." "Well," said the professor, "that is a subject to be considered." But the next day he continued sowing seeds of anarchy.

During the winter of 1916 I listened to a lecture by a man of international reputation before the students of one of our very large eastern universities. Early in his tirade, improperly called lecture, he informed the students that there were two ways to make money—"one to earn it and the other to steal it." He told them that when they worked on the street railway they earned their money, but when the company charged five cents for a ride, it stole its money. The students applauded. Later he told them that if they wanted to go to Boston over the New Haven Railroad, and all the workmen should die or strike, they would get no farther than they could walk; but if all the stockholders and bond owners were to die, they "might thank God for the dispensation but they would get to Boston just the same." The students applauded. He closed in this language: "They talk about preparedness, and well they

may, for if these conditions continue, preparedness will be necessary against the internal uprising that is certain to follow." The students again applauded.

If there has been any systematic effort made to suppress, nullify or destroy bolshevistic teachings, not always as bold but of the same character, with which nearly every college and university is daily deluged, both from chair and rostrum, I will be glad to know when and where the counteracting forces have been applied. Many men of wealth have thought they were advancing the interest of their country and humanity generally by endowing colleges and universities. We have made education a fetich and have assumed that all education is alike good. It would be far better for America to have its youth poisoned with strychnine than with bolshevism. Poison administered through the stomach is not contagious, but what has been lodged in the brain at these hotbeds of socialism spreads, and should it break in epidemic no army can effect a quarantine. May the long-suffering Father protect his foolish children from the natural and legitimate results of their foolishness.

CHAPTER XVI

GREED AND ITS PUNISHMENT

The government very properly interfered to curb aggression and extortion. That is a most appropriate function of government, but a very inappropriate *end* and can be carried too far.

Just cause for complaint did, does and always will exist. The Kingdom of Heaven has not yet been established by human agencies. Greed of gain, whetted by indulgence, led to practices in many instances reprehensible. Some of the big fellows who had achieved great things, and rightfully owned what they had accomplished, seemed to think they also owned the little things that others had done. Punishment became necessary and the government administered it wisely and with lavish hand. Not a few of the big boys were whipped in the presence of the infant class, a thing always gratifying to juniors. Thereupon, all the little people became hilarious over these just punishments and it became a pastime to get after "those higher up." One of our distinguished senators is credited with the state-

ment that the people changed the motto over their Temples of Justice to "Soak Him." It soon became more difficult to secure the acquittal of an innocent man of affairs, than it had been to convict the guilty. Until time is no more the pendulum will continue to swing from one extreme to another.

PUNISHMENT A MEANS, NOT AN END

I know of no better illustration of the necessity of punishment and the desirability of quitting when its purpose is accomplished than an incident told me by a man who claimed to have been an eye-witness.

Back in the days when young men attended school until they were married, a theological student attempted to teach in a country district on the frontier of Ohio. The big boys became obstreperous. He urged them to treat him respectfully for he said he was studying for the ministry. The effect was as one might suppose. They carried him out, they washed his face in the snow, they dipped him in the creek until he gave up in despair.

Shortly thereafter, another youth applied. The director told him he could not maintain discipline. He said if he failed, it would cost the district nothing. Certificates to teach were

then unknown. When the pupils assembled, they found him sitting at his desk reading. They looked him over, sized him up, thought him an easy mark and commenced pounding their desks and stamping their feet, and kept it up until nine o'clock. Then the new teacher laid aside his book, locked the door, put the key in his pocket and called school to order. The preliminaries having been unusual, silence was secured. He informed them they need not attempt to escape, for the windows were nailed down. Then, opening his carpet bag, he brought forth a revolver, a bowie knife and a blacksnake whip. Then after warning the pupils not to arise until their names were called, he summoned John Jones to the floor. With whip in one hand and revolver in the other, he proceeded to give private lessons. When through with John he called Bill Smith. He did not need to ask their names. After going some distance down his list, he told them they had probably learned more that day than they had ever learned in any one day in their lives, and perhaps as much as it was wise to attempt to learn in one day, adding: "When you come again, come expecting to obey the rules, attend to business and make no false motions. There will be no further exercises to-day." They never knew whence he came nor

where he went. He had performed his mission and wisely left future tasks to his successor.

I did not inquire concerning the subsequent history of that school, but I understand human nature enough to know that if his successors were men without plan or purpose or policy of their own, and only sought to repeat the popular practices of their predecessor, they permanently ruined that school. There was but one wise course. Without apologizing for what had been done, or lowering the standard of discipline, there should have been a return to the ordinary tasks of the schoolroom without unnecessary delay, for I declare to you that corporal punishment is not the purpose for which schools are established, nor are criminal prosecutions the aim and end for which governments are instituted among men. Both are essential at times, but let us hope that captains of industry and business men generally have learned their lesson sufficiently so that it shall not be necessary to continue indefinitely what was so admirably done a decade or more ago.

Unless punishment is discriminately administered, demoralization will follow, and if the big boys are whipped for no other purpose than to please the little folks, they will probably go fishing. And whenever the big boys of America

take a day off, trouble ensues. Only a very few years ago, I saw a thousand men standing in line awaiting their turn for a cup of coffee and a slice of bread at the hands of charity. Business simply could not stand the lash incessantly applied. It had taken a day off.

Then the war came, abnormal demands were created and great prosperity ensued. But before the revival of industry, sufficient time elapsed to permit a fundamental economic principle to be elucidated in the greatest school of the world, the school of experience.

CHAPTER XVII

OBSTRUCTIVE LEGISLATION

While supervision and control of big business is essential, the trend has been in the direction of interference and in many instances inhibition.

While both political parties, and all administrations, profess great friendship for business, the treatment that both political parties have accorded business is well illustrated by the fable of the elephant that, in going through the jungle, stepped on a mother bird. When the elephant saw the havoc she had wrought, she called the orphaned chick and said: "This is deplorable. I did not intend to kill your mother. I am a mother myself and have the mother instinct. But the deed has been done and is past recall. Being unable to restore your mother I shall give my efforts to the task that your mother would perform if she were living." So the elephant sat down on the chicks.

The American people have shown great aptitude and achieved unparalleled success in two distinct fields—baseball and business. During

the period of development and successful prosecution of these two great national games, the rules of the game were made by experts in the respective games. Practical bankers made the rules of banking, experienced traffic men made rules governing transportation, and expert baseball players formulated the rules of that game. Business has suffered because of modern methods, and baseball will go where business had gone prior to the war, should the same policy be pursued and the committee that is to make the rules of baseball be selected under the direct primary system, from among those who never play the game, and seldom see it played, upon a platform demanding that strenuous playing shall cease, and that the score must be a tie regardless of errors.

Instead of permitting practical bankers to apply fundamental banking principles, we have forty-nine distinct sets of statutory rules, one for each state and one for the union of states, enacted by men some of whom have no more knowledge of banking than they have of aeronautics, and frequently administered by those whose tenure of office depends upon the amount of trouble they can make.

We legislate to prevent monopolies and for the ostensible purpose of encouraging competi-

tion, but the rules of banking are well nigh prohibitive of the creation of new competitive concerns. The president of one of the largest banking institutions in the United States, whose operations extend into every state, told me that he had refused a loan to Phil Armour except upon collateral that could be sold on the stock exchange of any city, and in the same conversation said there was not a loan in his institution except upon listed collateral. Only big concerns can furnish that class of security.

Suppose you were to build a packing house costing one million dollars and should make a bond issue of five hundred thousand dollars so as to have collateral. The officers of no bank would care to lend on those bonds. To do so would be to rely upon their judgment, and some little bank examiner would report that the bank had loaned on collateral that had no market value. Thereupon the Banking Department would write criticising the loan and directing that the letter be read to the board and a certain number of directors sign a reply. The course of least resistance is to refuse all loans except to monopolies or upon stock exchange collateral.

Not long ago a friend applied to one of the large banking institutions in New York City

for a loan upon unlisted securities. The president took from his desk a certificate of stock of a certain railroad and said: "I do not believe this stock worth the paper it is printed on, but I will lend money upon it. I believe your securities are absolutely good but I will not lend a dollar upon them."

The reason was sensible, and the banker was wise when banking laws and the rules of banking departments are considered. The railroad stock was listed and dealt in every hour. Hence the public assumed it had value, and it could be sold on the stock exchange for a price that fluctuated little. Its intrinsic value, if any, was problematic, but it did have a market value. The security offered was not listed. In the opinion of the banker it had abundant intrinsic value, but since it did not have a market value on the stock exchange, he did not feel justified in inviting criticism from the Banking Department by relying upon his judgment. It is difficult for a new concern to get credit and without credit no concern can live.

BECAUSE ONE HORSE KICKS SHALL WE
HAMSTRING THE WHOLE DROVE?

To a greater or less degree, the same policy has been applied to nearly all important branches

of business. The rules for the operation of railroads and insurance companies are both complex and conflicting. The books have to be kept to conform to the legislative requirements of every state in which the concern does business.

A certain express company formerly employed one attorney at two thousand dollars a year. It now maintains a legal department occupying an entire floor of an office building, and the officers of the company are in daily consultation lest they violate some state or federal statute and go to the penitentiary.

The president of an insurance company told me that if he did in Missouri what he was required to do in Texas, the penitentiary would await him, while if he omitted it in Texas, his punishment would be equally modest.

Severity of punishment in the United States has not yet reached the limit witnessed in France late in the eighteenth century when direct government was carried to its logical extreme. At that time the death penalty was prescribed for those who took food products out of circulation and kept them stored without daily and publicly offering them for sale. Failing to make a true declaration of the amount of goods on hand for eight days, and retaining a larger stock of bread than was necessary for daily

wants, were punishable by death. Death also awaited the farmer who did not market his grain weekly and the merchant who failed to keep his shop open for business. We may or may not go to this extreme in America. I do not at the moment recall any punishment at the present time in this country more severe than six months in jail and a fine of five hundred dollars for spitting on the sidewalk.

CHAPTER XVIII

THE INEVITABLE RESULT

As soon as the government changed its policy and denied exceptional rewards for exceptional risks virile Americans refused to assume these risks and internal improvements ceased. A distinction is drawn between pioneer capital and improvement capital.

The effect of this changed attitude toward internal improvement and business generally is exactly what every thoughtful person foresaw. No railroad construction worth mentioning has been begun in the last decade. A few unimportant extensions have been made. About five years ago, John D. Spreckels attempted the construction of a road from San Diego to the Imperial Valley, but a possible six percent return, if it proved a success, and total loss if it failed, did not prove inviting to capital. Facing disaster, he turned it over to one of the old established lines to be builded on the accumulated credit of that system.

The United States was never in such great need of additional transportation as during the

last ten years and never before was so little done to supply it. James J. Hill, the great empire builder of the Northwest, used to furnish figures to prove that we must invest two billion dollars new capital per annum to keep pace with the development of the country. It did not require a sage or a seer to discern that if we multiplied production from farm and factory, mill and mine, indefinitely, and failed to provide transportation facilities, we would ultimately reach a time when crops would rot on the ground while those who had grown them would be freezing and coal miners starving. Truly, the American people are "kin-folks."

For more than three years, liberty hung in the balance simply because the United States, with all her development, had failed to keep her transportation facilities abreast of her production.

We had no merchant marine and during the entire period of the war were dependent largely upon the Allies to transport our troops and our munitions. Adverse marine laws had been passed rendering it impossible to sail an American ship in deep sea transportation except at great loss even if the ship had cost nothing whatever. It became necessary for the government to take possession of the railroads in order

to avoid the effect of statutes filled with restrictive and prohibitive provisions. If the railroads had been operated under private ownership as the government is now operating them, every railroad president in the United States would be in the penitentiary. The roads asked an increase of fifteen percent in freight rates, which raised a furore of objection from both shipper and public, and it was denied. Government control and operation resulted in a loss of seventy million dollars the first month. Then both freight and passenger rates were increased twenty-five percent, generally, and in many instances, one hundred percent, and no one murmured. And still the loss continues. *It was four hundred million dollars the first year of government operation.*

WILL WE EVER BUILD MORE ROADS?

If someone should predict that the last railroad ever to be built in the United States of America, has been built, are you prepared to question its correctness? Will it be necessary to change our policy if more roads are to be builded?

Listen! Will you invest money in railroad construction, knowing that if it succeeds you will be allowed no more than six or eight per-

cent on the money wisely spent, and that if, through misfortune or want of foresight, it fails, you will lose everything? The theory of public utility commissions generally, is that if money is unwisely invested it ought to be lost, and when it is wisely invested, it should earn about six percent.

Suppose you and I install a hydraulic power plant and build our dam according to plans and specifications prepared by a reputable engineer. Then a flood destroys it and demonstrates that the money was *unwisely spent* and, therefore, according to these commissions, should be lost. If the dam stands the strain, and if it was wisely placed, and if it be economically operated, we will be allowed six percent. Are you ready to join in an enterprise of this character? If you will not, who will?

Suppose a promoter presents to you an engineer's report made from a preliminary survey of a railroad extending, let us say, from St. Louis, around through Arkansas and Texas to Galveston. I am informed that such a report exists, and that it shows that the road will go through the largest body of uncut white oak in the world, extensive pine forests, tap that belt of zinc ore extending south from Joplin, Missouri, make available large coal measures, iron

deposits and agricultural areas now obtainable at less than twenty dollars per acre, but which with proper transportation facilities, and a progressive citizenship, would be worth two hundred dollars per acre. The engineer estimates that the road when completed will earn twenty percent on the cost of construction, and you are asked to buy some of the stock at par. The statutes of most states forbid the sale of even initial stock issues for less than par. How much of this stock will you take? Will your neighbors and friends want some? How much stock in an unbuilt railroad do you think can be sold at any price when good farm lands adjacent can be bought at twenty-five percent of par?

While the wisdom of the modern law-maker prohibits the sale of stock at less than par few if any statutes have been enacted, limiting the price at which bonds may be sold. Suppose you are offered bonds instead of stock. Possibly you can get the bonds at less than par. What will you pay, and how large a block do you desire? Remember, the road has not yet been built. The money must be placed in the bank to be used in construction and you must wait for your interest until the road has earned it. If you will not buy, will your neighbors?

It will help to solve these problems if you rec-

ognize early in your calculations that men with much money are not much bigger fools than we with little. If you and I will not invest in railroad construction under present conditions, men of means and experience will not, and the last railroad ever to be built beneath the Stars and Stripes is now in operation unless—unless!

THE OLD WAY

During the half century and more of the unparalleled growth and development of the United States, bonds of unbuilt railroads were offered with fifty percent or more of stock as a bonus. The estimates indicated that the roads would earn not only interest on the bonds but dividends on the stock, and a portion of the unearned increment resulting from development was in this way awarded to those who took the risks. Investors were thus encouraged to expect reasonable returns, plus fifty percent or more of water. The promoters who had paid the expenses of preliminary surveys (often abandoned as worthless) also labored with hopes of great gain if they should discover a meritorious proposition. Those who bought and occupied the lands contiguous to new roads endured some hardships but took no risks and yet expected to add at least four hundred percent of water to

their investments. They realized in most instances more than one thousand percent profit on the original cost.

Does anyone doubt that a return to the policy of apportioning unearned increment equitably among those who shall in any way contribute to the general result will revive internal improvements? No one asks, and no one would consent, that all the unearned increment should go to the stockholders of a railroad. Every one favors governmental supervision and control of rates. The point where a few diverge from the mass is in recommending that those whose vision and courage are solely responsible for development, shall have an equitable share of the unearned increment.

Lest I be misunderstood, I desire to state parenthetically that I have never owned a railroad bond or a share of railroad stock; and I have never promoted a railroad or been employed in any capacity by a railroad. Most of what little I now possess, I have made by watering the capitalization of real estate. Occasionally, in times past, when I have known of a railroad about to be constructed, and have recognized an opportunity to make a little money through another man's vision, on another man's courage and at the other man's risk, I have pur-

chased a little contiguous real estate, watered the capitalization from one hundred to one thousand percent, and then insisted that the road should haul me and my produce at cost plus six percent.

PIONEER CAPITAL

Does it occur to you that pioneer capital should be accorded pioneer rewards? Pioneer people make sacrifices, endure hardships, suffer privations; but in America they take no risks and their rewards have been certain and speedy. But their rewards would be neither certain nor speedy did not pioneer capital precede them, blaze the way and assume all risks. During the period when pioneer capital was liberally rewarded, development outstripped the imagination of men. It will do the same again if given like encouragement.

I assume that a return of six percent would be ample on capital, let us say, to construct an additional track for the Pennsylvania Railroad between New York and Philadelphia. That would be improvement capital. Would the same rate be satisfactory for money invested in an unbuilt road into an undeveloped country? To state the case is to state the argument, and yet no railroad commission has yet been cre-

ated with both the wisdom and the courage to stand openly for a distinction between development capital and pioneer capital. Unless returns are permitted large enough to induce a reasonable man to take a risk none will take it, for the unreasonable man has no money to risk.

In a preceding paragraph I referred to the attempt of Mr. Spreckels to build a railroad across, or rather through, and much of the way under, the most barren succession of mountain peaks and defiles I have ever seen. An automobile road has been built at great expense across the mountain. Nine-tenths of the way not a green leaf or living thing—not even a bird or insect—will be seen.

Mr. Spreckels is a very wealthy man. He is supposed to own over fifty-one percent of the gas, electric light, street railways and ferries of San Diego. He does not, however, consume fifty-one percent of the food cooked by the gas he generates; he does not enjoy fifty-one percent of the light that illuminates that beautiful little city; he does not take fifty-one percent of the rides on street car or ferry; and not one percent of the unearned increment, the advance in the value of property occasioned by his public-spirited enterprises, inures to him. Having more money than he can use and more than his

children can legitimately spend, why does he risk everything on a railroad involving an aggregate of more than twenty miles of tunnel through solid granite? I will tell you why.

For some reason, let us hope a sufficient reason, the All-wise Father has implanted in certain natures somewhat more than the average vision, somewhat more than the average courage, somewhat more than the average desire to achieve, and He seems to have ordained that these men shall be happy only when achieving. Service expresses the thought admirably when he put into the mouth of the returning Klondiker:

“Yes, there’s gold and it’s haunting and haunting;
It lures me on as of old.
But it isn’t the gold that I’m wanting,
So much as just finding the gold.”

So it has ever been, and thus it is and ever will be. These daring, progressive souls risk their past, their present, their future and the future of their families, upon gigantic propositions, the consummation of which makes the appellation, “I am an American,” the proudest boast of man.

CHAPTER XIX

UNEARNED INCREMENT

Originally the government permitted each to enjoy the natural advance in the value of his holdings—the unearned increment. In recent years it has discriminated and in certain classes of investments has sought to limit rewards to the equivalent of reasonable interest rates.

The first piece of land I ever owned was a half interest in one hundred and sixty acres. My law partner and I got four hundred and eighty dollars together and we bought one hundred and sixty acres at three dollars per acre. We put part of it under plow, rented it and within a few years, sold it. That land is no more productive today than when we sold it, but the rascal who owns it has watered the capitalization until when I buy a pound of butter or a dozen eggs I am helping to pay him a dividend on two hundred and fifty dollars per acre. We watered it a little, ourselves. We sold it, I remember, for twelve dollars and fifty cents an acre. That was the first dollar I had ever received that I had not earned in the hardest

way. It was the first dollar of unearned increment that ever came my way. It was the first water, so to speak, I had ever tasted. I liked it.

I remember when John Trumm purchased that land of us. If he had said to me: "The country is new, population sparse, commerce limited; if these conditions change and the land advances in value, to whom will belong the unearned increment?" Very promptly I should have told him it would belong to him. There was not only a competency but a speculation in the purchase of that land.

But suppose he had said to me: "If I do not buy this land, I shall put my money into the Chicago, Milwaukee & St. Paul Railroad that is now building through the county. The country is new, the population sparse and commerce limited. If these conditions change and the railroad advances in value, to whom will belong the unearned increment?" In my innocence, I should have told him it would belong to him. I might have warned him that if it resulted like the first three attempts to build a railroad across Iowa, he would lose every dollar he invested, but if the time had then arrived, and if the road was built economically and operated efficiently, and did prove a success, it doubtless would advance in value and the unearned increment would be-

long to those who had shown great vision, taken great risk and exercised great skill.

SOME CONCRETE CASES

I recall a man who purchased in an early day large bodies of Iowa land at from three to five dollars per acre. His rentals must have equalled twenty percent per annum on his investment. Then he watered the capitalization and sold these lands at seventy-five dollars per acre. They are now worth over two hundred dollars per acre. But, even at seventy-five dollars, they made him a millionaire, financially. Then he assailed the railroads for watering their capitalization, though money invested in a railroad never yielded a quarter as large returns as his land investments netted. His opposition to railroads, however, made him a millionaire, politically.

Some years ago a man asked me to join him and some friends in promoting a railroad to the coal fields of Alaska. I asked him who owned the coal and was told that anyone could have all he cared to buy at a nominal price. I called attention to a statute that forbade the same men owning both the railroad and the coal. Then I proposed that I take the coal and let him and his friends build the railroad. If they suc-

ceeded, I would then go to the Interstate Commerce Commission and get a rate that would give them six percent on their investment and I would take all the profit. I reminded him that the public thought six percent was enough for money invested in railroads. The road has never been built.

I met a friend not long ago who, in explaining that the world had been good to him, told me that some years before he had bought a large body of badly located but excellent timber back in the mountains of Washington, at fifteen cents per thousand on the stump. Then a railroad was built up to his holdings. That was some years ago and during the period of national development. When the road was completed, he went to the Interstate Commerce Commission and got a rate so that he was then selling his timber, which cost him fifteen cents per thousand, for five dollars per thousand, while those who builded the road are presumably getting six or eight percent on their investment and will until the timber is exhausted, when their road will be worthless. My friend is not a reactionary but is far-sighted. I think he said he studied finance from the standpoint of a farmer.

A few years ago, at a Chamber of Commerce dinner in New York, Myron K. Jessup asked

me if I knew that he was once president of a railroad in Iowa. The road extended from Dubuque to Farley. I asked him if he remembered when an engineer by the name of Smith made a preliminary survey from Farley to Sioux City, and reported that there was nothing west of Iowa Falls worth building a railroad into. "Remember it!" said he. "He made that report to me."

Think of it. A man living and in good health in 1906 who was old enough to be the president of a railroad at a time when two-thirds of the north half of Iowa was considered not worth developing. Ultimately the road was constructed and I happened to be at Storm Lake when the last spike was driven connecting the two ends of the road. This was in 1870. That whole stretch of country could have been bought at that time at an average of less than five dollars per acre. I remember riding forty miles without seeing a house. The lands I saw that day could not have been sold for two dollars and are now worth two hundred dollars per acre.

These lands were worthless without the railroad and the railroad relatively worthless without the lands. The lands, exclusive of improvements, have paid in rentals more than twenty percent on their cost and their present value is

ninety-nine-one-hundredths water. No money invested in railroads or any other industry ever yielded returns comparable with that.

The wealth of the United States, estimated at two hundred and fifty billion dollars, is probably ninety percent water. Farm lands, timber lands, mineral lands, oil lands, town lots, originally cost very little. Deducting improvements, interest and taxes from rents and returns already received, plus the market value, and the difference is the unearned increment or the water that has been added to the original capitalization.

Suppose, if you please, we are just opening a new country. What policy would you recommend? Would you expect each one to attempt everything? Or would you encourage a division of labor and enterprise? I fancy we would follow the policy the Fathers adopted. We would encourage the improvements of lands, the construction of transportation facilities, the building of mills and factories, of stores and banks, the opening of mines and the development of water power, and then we would tacitly agree that whoever contributed in any manner to the common good should share equitably in the resultant unearned increment.

CHAPTER XX

BUSINESS PHILOSOPHIES

This is a preliminary chapter intended to show that management is the most essential factor in every business proposition. Several illustrations are given, and some advice offered.

Before discussing government construction, ownership and operation of railroads, and other so-called public utilities, I want to call attention to some well-known but seldom recognized principles.

All business stands on three legs. No business can stand on two legs. Notwithstanding the persistent nonsense that has emanated from press and platform, from pulpit and professor's chair, by thoughtless politician and thoughtful demagogue, capital and labor, unaided, have never accomplished anything and never will. But management, plus capital, plus labor, have done wonders and still greater achievements await the cooperation of this irresistible trinity.

Some have tried to make it appear that the public constitutes a fourth leg. While the pub-

lic has rights, and affords markets, business succeeds only when the public does not interfere.

Take the case of the farmer. His lands, his tools, his teams and other livestock, constitute his capital. He performs the labor, furnishes the management, and all goes well. Occasionally a farmer prospers when he furnishes only capital and management, notwithstanding Benjamin Franklin's proverb: "He who on a farm would thrive, must either hold the plow or drive." The one absolutely indispensable element of success in farming is management. No man ever prospered on a farm simply because he worked. He must wisely manage if he lifts the mortgage. When the farmer's management fails, the sheriff becomes his land agent, and it matters not how productive his land, or how willing his team, or how fruitful his flock or how hard he works.

You never knew a merchant to fail except when his management buckled. You may have thought some failures were due to want of capital; but even in these instances management was solely at fault, for it attempted too much with its available capital. Barring accidental and incidental fortune, good or ill, management or the want of it is the prime factor in every success and in every failure.

The president of a certain Chicago federation of labor, after listening to this thought, brought a party of friends to my platform and in the course of a brief visit said: "They have talked to us about capital and labor, capital and labor, nothing but capital and labor. We knew there was another guy in there but we couldn't find him." Then he added: "And you have got to pay that guy, too."

ILLUSTRATIVE INSTANCES

Some years ago and during the period of evolution in harvest machinery, Marsh Brothers put upon the market what was known as the Marsh Harvester. It was the first radical improvement upon the old self-rake. Two men rode upon the machine and bound the grain as it was cut. For some reason, perhaps disagreement among the interested parties, the concern was reorganized into three independent companies and certain territory was allotted to each. A local preacher by the name of Gammon took one allotment, associated with him William Deering, and the largest manufacturing plant then in the world was built where nothing had stood before. The other two concerns took equally favorable territory, operated under the same patents, obtained their capital in the same market, hired labor at

the same wage, and utterly failed. Five years thereafter nothing remained except court records to show they had ever existed.

Did capital build the Deering plant? It did not. Did labor do it? By no manner of means. The germ of management in the brain cells of William Deering, which no crucible would disclose and no scalpel reveal, was wholly and alone responsible. Do you suggest that able subordinates and efficient labor were in part responsible? My answer is that William Deering was wholly responsible for having able subordinates and efficient labor. Andrew Carnegie said to me: "I have never been able to discover wherein I have been more clever than others except in selecting men cleverer than I." That is the acme of clever management, and affords the only certainty of success.

During a congressional investigation of the meat industry the president of one of the "big five" packing houses appeared, and in the course of his examination testified that while holding a position of considerable responsibility to which he had been gradually advanced, he was asked to organize a company to take over a certain concern, the stock of which was selling at about ten dollars per share. The necessary capital was tendered and he was offered a salary of one

hundred and fifty thousand dollars per year, quite a large block of stock gratis and an option on thirty-five thousand shares at ten dollars per share, which he subsequently exercised. When asked if he thought his salary was unreasonably large, he called attention to the fact that within ten years his company had become one of the five largest in the world and that its stock had advanced from ten dollars per share to par. Thereupon the chairman of the committee remarked that while he was opposed to large salaries, he thought that one hundred and fifty thousand dollars per annum was not excessive for this particular witness. Did capital accomplish that? Did labor? No, management did it.

SUPPOSE A CASE

In a certain city a thousand men are out of employment. In a bank in that city a million dollars are out of employment. In the foothills near the city fifty million tons of coal are out of employment. The unemployed men see the opportunity and offer their joint note for the money with which to develop a coal mine. But the officers of the bank will not lend money that does not belong to them upon the signature of a thousand men, each out of employment. Then management walks in and says to the president

of the bank: "I am a practical coal operator. I have had experience, and have associated with me a board of directors, each a successful coal producer. In proof that we understand what we are undertaking, here is the report of the best-known coal engineer in the world, who at our expense has bored every square rod of that tract of coal, showing the exact number of tons available. Here also is an assay showing the quality of the coal. It is worth so much per ton on the track. It will cost so and so to put it on the track. After we have invested a million dollars of our own money, we want to borrow a million to complete the development and for working capital." By giving a majority of the stock, and all the bonds of the company as collateral, and by each director signing the note, the money is obtained. The hitherto idle men are now employed and a great industry results. Query: Locate the cause. Is it capital? Capital languished and earned nothing. Is it labor? Labor was in rags and labor's children were crying for bread. That coal field is developed, the wealth of the nation increased, homes are warmed, furnaces made to glow, wheels to turn, by management, plus capital, plus labor. It is so everywhere, in each and every instance, in this and all other lands.

Capital can usually be had upon approved security, and labor is most always available at a satisfactory wage, but management, the one essential of every achievement, is the most difficult thing in the world to find and, when discovered, imposes its own conditions and names its reward.

A WORD OF ADVICE

If teachers of economics and of sociology would somewhat oftener and more generally teach the Benjamin Franklin brand of common sense and make their classes understand that there are in the United States vastly more twenty-five thousand dollar jobs than there are twenty-five thousand dollar men to fill them, bolshevism would diminish as rapidly as it has increased under the opposite tuition. Where do our editors and newspaper writers come from? Whence the principals of our high schools, teachers in our colleges, preachers and lawyers? Ninety percent of them are from our colleges and universities, and those who graduate with socialistic and bolshevistic tendencies have usually imbibed them either from imported professors or from American professors who have received their Ph.D's in Germany.

In this connection I also want to say a word

to parents: Would it not be well early in the life of your boy to impress upon him that he will probably get out of life something fairly commensurate with what he puts into life? You might also suggest that if he will observe he will probably discover that those who complain most because the world has been stingy with them, are seldom able to show a receipt for much that they have contributed to the world. If instead of giving wholesome guidance you permit to go unchallenged the teachings which your boy is certain to get in the school room, in the pew, at the theater and the movie, on the street, and especially from the demagogue, that those who make money are invariably dishonest, those who accumulate wealth are scoundrels and that those who amass fortunes should be in the penitentiary, I will go security for your son that he will never disgrace his parents by getting the family name on the letterhead of any big institution, or in the Directory of Directors.

CHAPTER XXI

THE GOVERNMENT'S HANDICAP

In this chapter an argument is made that no government, and especially no republic, can supply the necessary management for business enterprises. The effect of popular and political interference with public business is illustrated.

The principal reason why government business operations are always financial failures is that no republic can supply the all-essential third leg. Its management is always defective. It can furnish capital, it can employ labor, but in a government where the people have a voice, management always buckles.

Senator Aldrich was frequently quoted as saying that the government could save three hundred million dollars per annum if it would apply business principles to its affairs. The distinguished senator never said that. What he did say was that the government *would* save three hundred million dollars per annum if it *could* apply business principles. Experience had taught the senator what experience has taught everyone who has had experience and what

observation has taught the observing: that it cannot be done.

During the campaign of 1916, I sat on the platform and heard the then candidate for governor of a great middle-west state tell an audience that if he were elected governor, he would apply business principles to state affairs. I followed him and told his hearers that, if elected, he would do nothing of the kind. In the first place, it was impossible, and, secondly, they would not consent to it even if it were possible. I reminded them that I knew better than their candidate, for I had tried it. I did suggest, however, that simply because business principles cannot be applied to public affairs, is no excuse for conducting public affairs in a thoroughly unbusinesslike manner. It is not necessary to violate every business principle because some cannot be applied.

The candidate was elected, as he deserved to be, and has made one of the best, many say the best, governor his state ever had. But he will have to admit that he cannot remove officials simply for inefficiency, and he cannot make appointments in the face of public opposition, however fit and worthy the applicant. In a thousand ways he cannot exercise the independent discretion which he would if president of a bank

or the head of some industrial corporation.

When I took charge of the Treasury Department I found an appraiser at one of the principal ports who had outlived his usefulness. He was not dishonest. Dishonesty is the least of all evils of government service. He was simply inefficient. He had a good army record, was a very reputable gentleman, highly esteemed, absolutely honest, and Mr. McKinley had made him appraiser. There were many evidences of inefficiency. Importers at far distant ports were entering their merchandise at this city and shipping them back home, manifestly for the purpose of evading the payment of appropriate duties. I have no doubt that the government was losing a million dollars or more a year through the inefficiency of this good man.

President Roosevelt authorized a change. I informed the two senators from that state what had to be done, and asked them to select the best man they could find and I would arrange a vacancy to meet their convenience. President Lincoln is credited with saying that when he had twenty applicants for a position and appointed one, he made nineteen enemies and one ingrate. I wanted to protect these senators from nineteen enemies.

They found an excellent man and I had the

old appraiser come to Washington. He fully recognized his utter failure, and willingly resigned. We parted friends. The inexperienced will suppose that was the end of the incident. It was not. It was the beginning of it. The removal was declared to be purely a political deal. The President was criticized, I was abused and the two senators maligned. Every prominent Grand Army man in the country was asked to protest, and most of them did, until this dear old fellow was made to believe he had been imposed upon. He published his grievances in an extended interview and in about three months died of a broken heart.

The people will not consent that public affairs shall be conducted as business is conducted. Had this man been in the employ of a business enterprise in any large city, his removal would not have elicited so much as a notice that he had resigned for the purpose of giving attention to his "long-neglected private affairs."

Public opposition to the application of business principles to government affairs is well illustrated in the location and erection of public buildings. Chicago has a federal building which was intended to accommodate, and does hold, not only the post office, but serves as court house, custom house and shelters all other federal

offices. It cost nine million dollars and is ill-suited for anything. There are plenty of architects who can design a court house, or a post office, or an office building, but no one has yet appeared, and no one ever will be found, who can combine the three without ruining all.

During the period of construction, the Chicago post office occupied temporary quarters on the lake front in a wooden building, veneered with brick, built expressly for the purpose. Unquestionably it was the most convenient, and therefore the best post office in the United States. This of course is from the standpoint of a business man. Everyone connected with it regretted its abandonment for the huge, imposing but outrageous new building. The architect's pride centered in its enormous dome. All the mail had to be taken from the basement up a steep incline and, until they began using heavy gasoline trucks, it required four horses to pull out from under the building what one horse could haul to the depot.

Pittsburgh wanted a building equally imposing, and Congress appropriated a million dollars to buy a site. That sum would pay for nothing suitable in the central part of the city. The newspapers had all purchased property at the top of the hill, in the newer part of the city,

and the Secretary of the Treasury was expected to locate the Federal Building accordingly. He did not do so and for this reason: There were no street cars going near the proposed site. It was before the advent of gasoline trucks and the mail would have to be hauled up the long inclines by teams. In slippery weather a team of horses, unless freshly shod, cannot climb that hill with an empty wagon.

Inspired by the experience at Chicago, the Secretary decided to give Pittsburgh the best post-office service in the world. An entire block near the principal depot was purchased, at fifty percent or more above its market value. But that was relatively cheaper than anything else offered, and less proportionately than what the government is usually compelled to pay. A suitable site for a business enterprise employing a like number of people, and doing an equal volume of business, would be tendered on a silver platter. The people's government never got "something for nothing" until we entered the war. What it then got and where it got it is quite generally surmised.

The intention was to erect a steel-framed post office, not more than three stories high, with wide court, so the light would be abundant, install a system of pneumatic or electric carriers,

with tubes extending to all the depots and substations of the city. This, I submit, is exactly what any business concern would have done. But it was not satisfactory. A perfect furore was raised, every bit of which had its root either in a hope of profit through the location of the building, or in a desire for a big and imposing public building with an enormous dome. The people thought it a shame that Pittsburgh should be asked to put up with the expenditure of a fraction of the money that had been thrown away in Chicago, and the fact that one hour would be saved in the distribution and delivery of every piece of mail, did not palliate the offense. A post office erected solely for the purpose of efficient mail service will satisfy no community.

There are quite a large number of ports of entry where the entire revenue collected is not enough to pay the expenses of the office. In my annual reports I recommend that several of these be abolished, but no congressman from those states would support such a recommendation and no congressman from any other state would favor it lest economies applicable to his own locality would be thus invited. Everyone insists upon economy in government matters, but all demand that it be exercised in a distant

state, and preferably in some territory or in the District of Columbia where the franchise is denied.

Many will remember William S. Holman of Indiana, for many years chairman of the Committee on Appropriations. He was not only an able man but a wise and economical statesman, and merited the appellation by which he was internationally known, "The Watchdog of the Treasury." The Committee on Rivers and Harbors, desiring his support, inserted an item for dredging a creek extending into Holman's district, so ships could come to central Indiana. Of course Mr. Holman wanted to be returned and was therefore compelled to support the bill. He even made a short speech in favor of this particular item. When he closed, Tom Reed arose to remark in his inimitable drawl,

" 'Tis sweet to hear the honest watchdog's
bark

Bay deep-mouthed welcome as we draw
near home."

A SELF-EVIDENT FACT

No government subordinate or bureau chief ever got into difficulty except when he did something. No one ever knew a refusal to act, or a

delay in acting, to be the subject of judicial or legislative investigation. Pigeonholes all filled is infinitely safer than a few signed documents. This is fully recognized throughout the whole realm of public service and the result is logical—everything of a decisive nature is deferred as long as possible.

In 1906 Congress authorized the Secretary of the Treasury to settle a claim for ice sold to the government for the use of the Union Army in 1863. I am the only official who, in more than forty years, could have been impeached for action taken in connection with that knotty problem.

Subordinates in corporations and private business are criticised and lose their positions for failure to act. With the government, men are discharged and disgraced only when they do act. Unless a clerk or bureau chief or head of a department is caught red-handed, so there can be no question of guilt, there is no way to rid the department of an incubus without great difficulty. What I am trying to emphasize is a fact that everyone knows, few recognize, fewer still admit and many deny, to-wit: That government, state and municipal affairs are necessarily conducted upon entirely different principles from ordinary business.

TWO ARMY INCIDENTS

I am indebted to an army officer for the following, which I have not verified and therefore cannot vouch for, but I give it simply because it is absolutely true to life.

During the Indian insurrections in Texas, a certain officer got word to his quartermaster that he must have supplies and ammunition at a given point on the Rio Grande River without delay or his detachment would be annihilated. The quartermaster must have been a civilian for, regardless of red tape and formality, he proceeded to act. He found a boat and sought to engage it. But the river was low and the owner dared not attempt the trip. "But," said the quartermaster, "if you do not go, those men will be annihilated." "If I do go," said the owner, "my boat will be annihilated, and it's the only boat I have. You have more men."

Rather than fail, the quartermaster purchased the boat for twelve thousand dollars. He loaded it with supplies and ammunition, started it up the river and made his report. Promptly, the department at Washington refused to ratify the purchase, and reprimanded the quartermaster severely for exceeding his authority in purchasing a boat. I submit that the department was

right. No member of Congress would vote to give a quartermaster authority to buy a river steamer. Even the Secretary of the Navy would need congressional authorization. Fortunately, the boat returned and the quartermaster tried to get the man to take it back. He refused. Then the quartermaster found a purchaser, sold the boat for twelve thousand five hundred dollars, paid the purchase price and sent five hundred dollars to Washington. Promptly the department refused to ratify the sale and again reprimanded the quartermaster because he had sold a boat without authority. And the department was again right. Congress never has given and never will give authority to a quartermaster or anyone to sell a boat or anything else except after prolonged condemnation proceedings, and then at auction. Any corporation, under like circumstances, would have made that quartermaster a vice-president. Instead his pay was held up, and he faced court martial until some comptroller risked his official life and reputation by closing the account, also in violation of law.

If I remember correctly, it was Colonel Phillips of the regular army who gave me this chapter from his experience: While in command at a frontier post he was asked by the

department to make a recommendation concerning a certain matter. Following the regulations, he referred the matter to his quartermaster. The quartermaster reported favorably to the colonel in command, and he, as colonel, joined in the recommendation and sent it to Washington. In due time he received instructions to proceed and, again obeying regulations, he directed the quartermaster to carry out the instructions of the department. This was done and the quartermaster so reported to the colonel in command, and the colonel approved this report and forwarded it to the department. All of this was regular and would afford no occasion for comment but for the fact that Colonel Phillips, the officer in command, was also quartermaster. He had asked himself what had best be done, made his report to himself, approved the report made to himself, joined in his own recommendation, then directed himself what to do, reported to himself that it had been done and then, as commander of the post, had transmitted all the papers to the department, which, in course of time, were approved, and one more closed incident in the military affairs of the United States of America resulted. He had signed the same paper seven times and there had been no way to abbreviate.

I submit that if he had been in charge of railroad operations, some congestion of freight would have resulted while all these necessary formalities were being worked out.

I want it definitely understood that in recording these instances, no criticism is intended. No material improvement ever can be made without throwing wide open every conceivable door and shutter through which fraud and corruption not only can creep but leap and run. I give them for no other purpose than to prove established principles to which there are few if any exceptions, to-wit: That a republic in business is an ass.

CHAPTER XXII

THE POST OFFICE

The common belief that the Post Office Department is conducted along approved business methods is sought to be dissipated.

The advocates of government ownership continually remind you that the Post Office Department is a government managed affair. It is, and I think I am perfectly safe in saying that until the government took control of the railroads, cables, telegraph and telephone lines, commenced building ships and constructing airplanes, it was the worst managed institution on the face of the earth. And it has mattered little, if any, which political party has had control of its affairs.

For six years every new post office erected in the United States has borne upon its corner stone this inscription: "William G. McAdoo, Secretary of the Treasury." As you have seen this evidence of official prominence in city after city in every state of the Union, have you wondered why the name of the Postmaster General

did not appear above, or below, or at least on the rear of the building? It is simply because the Postmaster General has nothing in the world to do with the selection of sites, erection of buildings, or in their care or improvement. The Treasury Department buys and pays for the sites, prepares the plans, erects the buildings, repairs them, lights them, heats and janitors them. It also pays the rent of post office quarters where the government has not been as yet foolish enough to build. The Treasury Department also audits the accounts of all postmasters and not one dollar of all this expense is charged to postal receipts. Even the salary of the Postmaster General and all his clerks is paid from appropriations independent of postal revenues. Then, with no rent to pay, no coal or current to buy, with janitor and elevator service gratis and accounts audited, the Post Office Department has run behind an aggregate of something over two hundred million dollars. Any express company would be glad to take the Post Office Department off the hands of the government if it could have free rent, free coal, the salaries of their principal officers paid and all their accounts audited gratis, for sixty-five per cent of what it now costs the government to take care of our mail service.

RIVERS AND HARBORS

Under the Constitution, Congress has charge of all navigable streams and harbors and it has spent billions in their improvement. Colonel Hepburn once made the statement on the floor of the House that the appropriations for the improvement of the channel of the Mississippi River between St. Louis and the Gulf were sufficient to have built a ship canal of boiler iron between these two points. No one ever questioned the correctness of the statement.

A recent River and Harbor bill contained an appropriation to dredge the channel of a stream in Texas where the government's engineers reported there was only one inch of water. Another brook in Arkansas with only six inches of water, got an appropriation. I assume that two more votes were necessary. I might add for the reader's information that any stream in the United States can be made navigable in law by a joint resolution of the two Houses of Congress saying that it is navigable. Lawyers would call that navigable *de jure* but many of them cannot be made navigable *de facto* however much is expended in dredging and widening.

CHAPTER XXIII

CIVIL SERVICE

The sole purpose of discussing the Civil Service System in this connection is to show what must ensue if the government continues its trend and enlarges its business operations. Partisan politics cannot be eliminated, neither does the Civil Service secure the most efficient. Concrete and actual instances are given as illustrations.

So much has been said in favor of Civil Service by its friends, and so much criticism offered by those who know little about it, that I am impelled to submit a few observations drawn from five years' experience at the head of a department having, a portion of the time, as high as twenty thousand people on its payroll, over ninety percent of whom were in the classified service.

It is not my purpose to criticise or commend. I do intend, however, to make reasonably clear some of the inevitable conditions that would ensue if the government should remain operator or should become owner and operator of railroads, merchant ships, express, cable, telegraph

and telephone companies, and other public utilities, constructor of airplanes, merchant ships, and logically producers of all materials and supplies therefor.

Everyone concedes that to avoid complete partisan prostitution of these widely-extended and diversified interests, every agent, servant and employee, with the possible exception of unskilled laborers, would have to be covered under Civil Service. This would palliate the evil but, as we shall presently see, would not prevent political manipulation and influence, and would render efficient service absolutely impossible.

It will be idle to approach this subject without recognizing a very marked distinction between business operations and government service. Business is conducted primarily for the profit that legitimately results. The wise man knows, however, that the better the service, the more certain his rewards. The merchant who best serves his customers will have the most customers to serve, and the lawyer who best protects his clients will have the largest and the most lucrative practice. Service and profit are seldom divorced. If it be true, as has been said, that a grateful people will make a beaten path to the door of him who improves a mousetrap, it is also

equally true that the world's financial rewards are liberal beyond calculation to him who renders any substantial service.

This principle does not apply to government matters. Here the ultimate end is not profit, but power. While a political party may hope to be continued if its service is acceptable, it has no right to expect its administration will be acceptable if it neglects the ordinary methods by which approval is secured—which is politics. In politics, everything reasonable and honest is made to serve the ends of politics, exactly as in business everything reasonable and honest is made to contribute to profit.

A most natural result of public service is loyalty to superiors. This is true in a very marked degree in all government departments. If government clerks were to vote, I suppose three-fourths of them would support the party in power, without regard to which party it happened to be. One-half of the balance would fear even to vote lest they might cause offense and prejudice their promotion—the sole consideration with many department clerks—while only a comparative few would openly support the opposite party and some of these would subsequently regret it.

A case is current where an official who is sup-

posed not to be devoid of future political ambition, said to a friend who had witnessed the obsequious servility of subordinates: "There are two million of these and every one is a voter."

You will recognize that no promotion, demotion or dismissal within a business organization invites newspaper comment or criticism from friend or foe. In government service the exact opposite is the rule. When constituents inform a congressman that someone from his district has had his salary reduced, the whole delegation from that state get busy. Let it be known that some clerk has been longer in a department than another who has received more promotion, and an explanation is certain to be demanded, and it is relatively useless to urge inefficiency as the cause. In such cases the public ascribes but two causes, politics and favoritism.

While "offensive partisanship" is publicly forbidden, it is generally recognized on the inside that no activity of a partisan character is "offensive" so long as it is quiet, and is exercised in favor of the party in power. Public officials, of the rank of postmasters, customs and internal revenue collectors, and district attorneys are not expected to be delegates to political conventions, but I have never known their superiors, when of the same political faith, to object to their being

in the town while the convention is in session, maintaining suitable headquarters at the hotel, and even volunteering valuable advice to those who happen to call, as well as to those who are sent for.

But politics is not the only weakness of the system. The public has been taught to believe that Civil Service examinations result in securing the most efficient. This is a serious delusion.

Those who take civil service examinations usually find their names rejected or upon the eligible list within six months. It takes about that long to classify. Any time within two years thereafter the applicant is liable to be certified and called.

When a requisition is made the Commission certifies three names. It is not at all likely that they are the three whose examinations show them the best qualified. That question is not considered—applicants either pass or fail. They are simply the three names at the head of the list from the state whose quota is not exhausted. The officer calling for the clerk examines the records of the certified names and makes a selection. Thereupon the applicant is notified to present himself at a given place where the minimum salary—in normal times seven hundred dollars per annum—awaits him. Even though

he took his examination only twelve months before, the chances are he declines, giving as his reason that he is now getting a thousand dollars with good prospects of promotion.

It is only a question of time, however, when some applicant will be found who, during the period between examination and certification, varying from six months to two years and six months, has been unable to get a job at seven hundred dollars and he jumps at the chance to "serve his country."

You knew this must be the way but probably you had not stopped to analyze it. The Civil Service screen is so constructed as to catch the small fish and allow the large ones to escape. And there is no way known to man to change it without opening wide the door for favoritism, which the Civil Service system is supposed to close and effectively bar.

Nevertheless some of the clerks and employees selected in this way develop a good degree of efficiency and prove far better than anyone would expect from an inspection of the machinery by which they are secured. With scarcely an exception they are honest and conscientious toilers, with very little ambition. A few have ambition but these should, and usually do, soon resign.

I have in mind a business organization with several thousand on its payroll. Its operations extend from ocean to ocean and its employees include geologists, chemists, engineers of every kind, purchasing agents, salesmen, superintendents of both construction and transportation, clerks, clear down to unskilled laborers. Everyone connected with the organization is made to understand that any position is open to him provided he can show greater efficiency than the incumbent. While most of the force have grown up within the organization, not all have been started at the minimum salary nor promoted because of length of service. The former is insisted upon, and the latter urged, by all friends of Civil Service.

Imagine such a concern as I have described, depending upon an outside commission to examine and certify the people whom it might employ in its clerical and technical force, and being bound by its own by-laws not to employ anyone selected in any other way. No business concern could face competition and survive under such a system. Yet everyone recognizes that when applied to government affairs, Civil Service is not only the best but the only way. I am not criticising it. I am only showing the inevitable result if we change the purpose of

government from the greatest liberty institution in the world to a corporation for the transaction of business.

During five years that I recruited the force of the Treasury Department from names certified by the Civil Service Commission, nothing occurred to engender ill feeling. The members of the Commission and the officers of the Treasury Department understood each other perfectly and sympathized. Every member of the Commission sought as best he could—subject, of course, to the restrictions and limitations of his office—to serve the Treasury Department, and the Secretary of the Treasury, believing in Civil Service, reciprocated. There were, however, some rather plain and expressive letters exchanged. Believing that letters that actually passed between departments are the best proof of conditions as they exist, I have inserted in the Appendix the material correspondence covering four distinct cases.

Some of the letters were answered by personal interviews but enough remains to show the cordial feeling that existed, as well as the nature of the contentions. It also reveals the earnestness with which the Secretary of the Treasury sought some relaxation in the rules which friends of the system, as well as the members of the Commis-

sion, insist must be rigidly enforced, and which were rigidly enforced.

The last case cited relates to a request for experienced lawyers for special agents of the Treasury Department. The necessity for these will be apparent to every experienced business man.

Many of the tariff rates are *ad valorem*, the duty being levied upon the foreign market value of the imported merchandise. Importers are required to enter their goods at the price at which such articles are usually bought and sold in the country of their origin. Undervaluation by unscrupulous importers is the most common way of defrauding the government. Cases of alleged undervaluation are tried by the Board of General Appraisers, at which the importers are represented by lawyers who make a specialty of this class of cases. They are not only men of experience but many of them possess great natural aptitude. Some, I suppose, make as high as fifty thousand dollars per annum. The government is represented by attorneys who receive, if I remember correctly, three thousand dollars per annum, and the cases are usually prepared by special agents, or special employees, who receive from fifteen hundred to two thousand dollars per annum. The government is at a

tremendous disadvantage. I have heard it estimated that the Treasury loses two hundred million dollars per annum through undervaluations. I think this is excessive but unquestionably it runs into tens of millions.

I desired several country lawyers who had had actual experience in trying cases, and asked the Civil Service Commission to provide an eligible list. The need of capable men in this particular branch of the service is well illustrated by the following incidents.

Certain importers were entering their merchandise, which had been paid for in Indian rupees, as costing the bullion value of rupees, about twenty cents. England was maintaining the parity of the rupee at about fifty cents in our money. The Secretary of the Treasury certified that the rupee was worth fifty cents and directed that duties be collected accordingly. As was anticipated, the importers all paid under protest and one of them prosecuted an appeal. A decision against the government was rendered by the Board of General Appraisers and by all the courts including the Supreme Court of the United States. I ordered that another case be made and gave instructions how it should be prepared. Again, much to my surprise, the government was defeated. Investigation showed

that the second case had been prepared exactly like the first. More detailed instructions were given and the government was successful, and more than one million dollars that had been paid by importers under protest, was saved to the government and at least two hundred thousand dollars per annum from then until now. Any country lawyer with a general practice would have known how to prepare and present the case in the first instance.

The Treasury Department has several special agents in Europe whose business it is to look after and discover evidence of undervaluation, as well as other frauds upon the revenues of the country. The Department knew that certain merchandise was viciously undervalued, but the special agents all failed to get material evidence. Special employees were not then under Civil Service and I got an up-state lawyer from New York to accept a position as special employee, sent him to Europe and he came back with evidence that secured advances in valuations which saved the government perhaps fifty thousand dollars a year from one importer alone.

Appendix "D" will show the material correspondence concerning this particular request for experienced trial lawyers. My first request is dated September 20, 1905; my second, October

14th of the same year. Finally the Commission replied and its first letter bears date of December 2, 1905. It mentions oral requests also having been made. Several examinations were held but up to the time I left the Treasury Department, March 4, 1907, no eligible list had been provided containing a single lawyer who had ever prepared or tried a case in any court. The department needed at least six, could have profitably used twelve, but could not and did not get one. If interested read Appendix "D." You will detect enough spice to give it a flavor all its own.

The correspondence set out in Appendix "C" has reference to a tobacco examiner. Tobacco intended for Florida was being imported from Cuba at a certain inland city and then shipped back to Tampa and Key West. The duty on unstemmed wrapper tobacco was at that time \$1.85 per pound and only 35 cents per pound on unstemmed filler tobacco. When any bale of tobacco contained more than fifteen per cent wrapper, the entire bale was dutiable as wrapper. There was a further provision that tobacco from two or more provinces or dependencies, if mixed, should be dutiable at \$1.85 per pound, regardless of its character. Naturally, a tobacco examiner should know something about tobacco. In fact,

that is the only subject that a tobacco examiner need know anything about. The correspondence will show the efforts made to secure one and the desire of the Civil Service Commission to aid, as well as the disaster which it believed would follow if the Treasury Department was allowed any voice in the manner of the examination or in classification of those who took the same.

Appendix "B" has reference to a tea examiner, another position that, in the opinion of the Secretary of the Treasury, should be filled by an expert.

The correspondence with reference to a tobacco examiner began some time in 1904. My first rejection of each of the three names certified as being eligible is dated December 15, 1904. The request for a tea examiner was made somewhat later. I quote a paragraph from the Civil Service Commission's letter of December 9, 1905, which, though written with special reference to the request for eligible trial lawyers, mentions both tobacco and tea examiners:

"Your attention is also invited to the recent examination for tea examiner and tobacco examiner at the Port of ————. Owing to objections by your Department to eligibles certified, it became necessary to hold three examina-

tions before a selection was made for tobacco examiner and two examinations before a selection was made for tea examiner. The examinations finally resulted in the selection of the temporary employees, who, in the judgment of the Commission, after careful investigation, have no unusual qualifications for the duties to be performed and came in at the advanced age of sixty-three years. It seemed to the Commission so apparent that the examinations in question had not resulted in securing to the government the services of the most suitable competitors, that it became necessary for it to recommend to the President that it be relieved of all responsibility for these examinations and on November 18th, the President placed in the excepted class, one examiner of tea and one examiner of tobacco at the Port of —————, which employees do not now have the status of competitive employees.”

It will be noted that the Civil Service Commission itself finally recognized such a weakness in the system that it consented and even recommended that Treasury officials be permitted to select *one* examiner of tea and *one* examiner of tobacco at *one* port, though the last phrase quoted seems to betray a slight apprehension of disaster resulting from there being in the

United States two examiners, each requiring very accurate and technical qualifications, "who do not now have the status of competitive employees."

Appendix "A" is limited to two letters written by the Secretary of the Treasury to the Civil Service Commission refusing to approve rules and regulations which it proposed to promulgate, unless the President so directed. I will add that the President did not so direct. In this instance, as in the last two, the Secretary of the Treasury had his way.

DIPLOMATIC SERVICE.

While on this subject, I cannot refrain from discussing Civil Service as applied to our diplomatic and consular service.

There is quite a widespread demand that everything shall be taken out of politics, and a presumption is indulged, that, if this were done, all of the evils which now inhere in representative government would be cured. Undoubtedly men have been rewarded for political service with appointments to foreign fields, and some of these appointees have been wanting both in business experience and education as well as in aptitude. On the other hand, it is most unfortunate if only those who are disqualified for

positions of responsibility are interested in politics. If every public position at home and abroad were to be filled with those who either take no interest in public affairs, or by those who are incapable of exerting any political influence, do you think the service would be materially improved?

The further criticism is indulged that administrations make foreign appointments from among their party friends, and utterly ignore adherents of the opposite political faith. Has it ever occurred to you that when a man is unable to find as good and able men among those who believe in political doctrines which he advocates as are available among his opponents, he ought in justice to himself to renounce allegiance to the party he believes in, and join the ranks of those with whom he disagrees?

Undoubtedly, the United States has sent some chumps abroad, but anyone who has lived long in Washington must have recognized that other countries also occasionally have chumps in their diplomatic service. After some years' observation, I asked John Hay, then Secretary of State, whose experience at home and observation abroad better qualified him to speak than any other man in America, how our diplomatic and consular service compared with that of other

countries. Promptly and without hesitation, he said: "It is universally recognized everywhere that American foreign service is the best in the world."

One might as well expect to develop a successful trial lawyer by confining him to a law school all his life, or a successful business man by keeping him indefinitely in a business college, as to expect to produce an efficient representative of American interests abroad by requiring him to spend the most virile period of his life in studying how to represent these interests and all the while keeping him out of touch with the interests which he is to represent. A lawyer should understand his client's business, if possible, better than his client. If he is to represent mining interests, he should know metallurgy, all processes of mining, reduction of ores and mining practices, as well as mining laws. Before a man can successfully, advantageously and wisely represent American interests abroad, he must understand American interests at home. He must have a practical knowledge of what Americans require in foreign countries, and the natural effect at home of the things he is trying to do abroad.

When confined to clerical positions, Civil Service is a lesser evil than anything else that

has been tried, but it falls far short of being a panacea. When applied to positions requiring scientific, professional, technical or expert knowledge, it is an utter failure. If the government extends beyond its appropriate functions, and enters the business arena, Civil Service will result, first, in the greatest possible inefficiency; second, in political manipulation and control of everything, and, third, in transforming a hitherto virile and self-reliant people into a race of pap seekers. If the government pursues its present trend and enters one field of business activity after another it will logically end with everyone on the government payroll and all of us working for the rest of us and taxing ourselves to pay pensions to ourselves. When a government once enters the field of paternalism there is no place where it can logically stop.

CHAPTER XXIV

CIVIL SERVICE RETIREMENT

Before increasing the business activities of the government and creating an enormous army of government officials, clerks and employees, all under Civil Service, it is well to consider some feasible plan of retirement, for it is a question that will not down.

The discussion of Civil Service as applied to governmental industrial operations will be incomplete unless it includes the question of retirement. Shall those who have been for many years on the government payroll be pensioned? With few exceptions that is what the present Civil Service employees desire. They claim to have served their country as faithfully, and much longer, than soldiers in the army, and therefore are entitled to equal recognition and honor.

Most thoughtful people are able to note some marked differences. Few who are physically fit fail when they seek admission to the army or navy, but I have known quite a number who have sought government positions in vain. In addition to this the pay of the soldier is very

meagre, while that of civil service clerks, in normal times, is at least fifty per cent higher than the same grade of service commands in the business world. The question resolves itself therefore into this proposition: Shall those who have secured government positions and held them for thirty years, when there have been thirty thousand other citizens equally patriotic, and equally competent, who have sought government employment in vain, be rewarded and pensioned because of their good fortune, and at the expense of their less favored brothers and sisters?

The same argument applies to old age pensions. Most red-blooded Americans are willing to assume responsibility for the support of themselves and their families, and gladly contribute in some fair and equitable manner, through appropriate processes of taxation, towards pensioning those who bear arms in defense of our common flag, and for the dignity of our country, and they are also willing to pay their share towards the maintenance of the helpless and the unfortunate few. But it is no evidence of yellow that some object to the burden of paying pensions to men and women who have no other claim thereto than that they have grown old and have failed to provide for themselves.

Take the case home and apply it to yourself and your family. Do you desire the government to promise you and your children a pension independent of the manner in which you and they acquit yourselves? Or would you prefer to face the future in the belief that if you win, through merit, the rewards of victory will be yours to enjoy, and if you lose you will be expected to suffer the consequences, In other words do you desire the government to pension you simply because you hold a poor hand or play a good hand badly? What effect do you think the promise of old age pension would have upon the rising generation? Is not the youth of America already sufficiently wanting in self-reliance?

The only other way thus far proposed by which the government shall support its employees in old age, is by means of guardianship. This plan seems to proceed upon the theory that those who are fortunate enough to secure government positions, are necessarily unable to look after their own affairs, and therefore are entitled to a guardian. The proposition is that the government shall take charge of a portion of the earnings of this favored set of American citizens—withhold part of their salary and deal it out to them as a mother does candy to her baby lest it overeat or consume it too soon. It is a

pretty weak citizen who needs a guardian, and those who do—provided they are *compos mentis* and fourteen years of age—are entitled under the laws of most states to select their own.

Five years' experience led me to recognize that new clerks as a rule are better than old ones. Those who come with any enthusiasm whatever make very rapid advancement in efficiency, but in a very few years the enthusiasm vanishes and hope of advancement is based entirely on seniority of service.

Before leaving the Department I recommended—and am now more convinced than ever of its wisdom—that government positions should be filled, as now, under the rules of Civil Service but that all new clerks should come facing a statute limiting the periods of their service to five years. Five years of government service, especially in the city of Washington, is in itself an education. In addition there are excellent night schools where clerks can and do pursue their studies. Before Civil Service was inaugurated thousands secured appointments in Washington, graduated in law or medicine and went forth familiar with the official atmosphere and prepared to give the lie to those in every town who teach that the Capitol of the Nation is a den of thieves. John W. Gates got his start in

life as a sixty dollar per month clerk in the Post Office Department and spent his evenings writing letters for Senator John A. Logan, and meeting the big men of the nation who called.

A limited period in college is of great advantage but it would ruin any boy to keep him year after year in the same classes, going over the same subjects, reciting to the same tutors, getting nothing new and all the while segregated from all practical things of life. Why give these plums of official position—and they are no less plums because secured under Civil Service—to young men and women for life when they might be passed around with great advantage to that larger body of equally deserving citizens who would be benefited by a brief experience in public service.

The present force should be permitted to complete the tenor of their natural lives in the service. The new rule if adopted should apply only to those taken on after the enactment of the law limiting the period of service to five years. Exceptions would have to be made in cases requiring technical, professional or scientific knowledge. Provision would also have to be made whereby by executive order, on the recommendation of heads of departments, the specially competent could be retained.

CHAPTER XXV

PROPERTY BY COMMON CONSENT

The desire that the government shall enlarge its functions so as to prevent large accumulations, has led to the verge of confiscation of property. Several proposed methods of partial or total confiscation are discussed.

Originally no one held property by common consent, and in the very early history of the race I suppose no one gave a thought to what we now call "property rights." Even now savages seldom claim ownership to anything beyond a dog, weapons of the chase, possibly a horse or a canoe. Gradually the divinely implanted desire for ownership, sovereignty, independence, led the more advanced to assert exclusive rights, but still they held little if anything by common consent. Each held what he could by force. Under these conditions civilization had its birth.

As the race advanced and began to feel the throb of God-like impulses, and to live in harmony with divine law, consent to proprietorship developed. For several centuries, in all civilized countries, with here and there a relapse into

barbarism like the French Revolution of the 18th century, and the Russian Revolution of the 20th century, property rights and some measure of personal liberty have gone hand in hand and have been quite generally recognized and respected.

CONSENT WITHDRAWN

For the first time in the history of an English speaking people consent to personal ownership is being gradually withdrawn. Unless you have studied popular audiences, analyzed current magazine articles and scrutinized modern legislation, probably you have little conception of the proportion, even among the respectable and high minded, who are committed to some degree of confiscation.

At a joint debate on single tax under the auspices of an organization like many styled "Academy of Political Science" or "Political Science Club" or "Science of Government League," which in this instance was an adjunct of one of our very large universities, I called for a direct expression from the audience upon the clear-cut proposition of confiscation of all private property. Two-thirds of the audience promptly responded in its favor. That audience was composed of "high-brows." They were men

and women who read magazines, attended lectures, belonged to "uplift" associations and indulged in mental processes which they thought was thinking. I had had similar experiences in joint debates on socialism, but had never before struck a bunch of incipient anarchists of such apparent respectability.

Some years ago I had the privilege of addressing an association of Socialist Clubs at Cooper Union. While I have addressed many better read audiences I have never seen one that had read more. Many of them did little else but read. In addition they were a most sincere and good intentioned body of men and women. There are, as every one knows who has come in contact with them, somewhat more than fifty-seven varieties of socialists, every one of which was well represented that evening. They were courteous, they were respectful, they listened with manifest interest; but it was easily discernible that they considered our civilization wrong and harmful in the extreme. One could see it, feel and taste it. The very atmosphere conveyed to every sense the unmistakable evidence that that great body of men and women thoroughly believed that what they termed "Capitalism" had its heel upon their necks. They were not rebellious, but it was evident they did

not intend anyone to be misled into supposing that they were unconscious of their conditions, or that they intended to acquiesce longer than necessary.

In the campaign of 1918 the "single-taxers" of California made their third and great attempt to confiscate land values in that beautiful state. The issue of July 20th of "The Great Adventure," an official organ of the single-tax propaganda, printed upon its front page in heavy double leaded type this announcement: "*Single tax will put these big land values into the public treasury and leave the Ground Hogs nothing to rent but the actual value of their buildings.*"

The January, 1918, number of "Everyman," another of their official organs, contained a well-considered article lauding conditions in Russia, and promising the same for California. I quote briefly: "The people of Russia, who only yesterday were semi-starving slaves to a tinsel aristocracy, are now for the first time living upon their own lands, in their own homes, and working in their own fields and factories. They have dispossessed landlords and profiteers; and all who work have plenty. People do not starve where there is none to take the food out of their mouths. Famine is a result of human exploitation. When the people of any country go

hungry it is because they are denied access to natural resources. The people of Russia have taken their natural resources, and also their industries and they will not go hungry. . . . Out of darkest Russia has come the great light of actual freedom; and there is every reason to hope she will soon have the weakest government in the world, which means, of course, the strongest, bravest, truest and most united people. . . . That is what we are striving to do in California, but we won't stop with the land. We will only begin there. We could not stop there; the tide is too strong. It will bear us on into the new world of economic friendship."

The same issue of "Everyman" gave a word picture, for the truth of which it vouched, of what it termed "Zapataland"—90,000 square miles in Mexico—where it claimed confiscation had wrought its legitimate and beneficial results. It claimed the same conditions would be accomplished in California through the adoption of the single tax amendment to the Constitution as had been wrought in Mexico with the musket. It says: "In Zapataland they have no need for money. Is it food you want? Go to the market and help yourself. Do you need shoes or a hat? Go and take what you need! Have you a fancy for jewelry? Go make your selection. . . .

In some of the centers the women of Zapataland clamored for finger rings and bracelets. The elders consulted. They melted down some of the church ornaments, and in a few months baskets full of the envious shining trinkets were in all the Plaza shops. Help yourself. . . . Labor is plentiful. Everybody wants to work at least a few hours a day—they insist upon it. ‘Give me that shovel! You have been digging there for a couple of hours or more. Let me dig awhile.’ ‘Here, you, stop straining yourself. Go and rest. I am stronger than you.’ . . . In Mexico, the propaganda was carried on with ‘30-30’s’. The Zapata army went from valley to valley, from village to village, and dispossessed the owners.”

Such stuff is well calculated to deceive almost anyone except those who have seen a Mexican. For three successive campaigns California was flooded with that class of literature, its boasted purpose being confiscation. The organization back of the propaganda, with ample endowment, purposes to use California as an object lesson and to extend the principle throughout the nation.

For the benefit of any who thus far have not appreciated the gravity of this most plausible attack upon property rights, and therefore have

not studied the question, I make the following brief statement of the case as it appeals to a very large number.

Henry George, the great apostle of single tax, was a very able man. I do not say he was a very wise man. Great intellects frequently lead to great errors.

Every advocate of single tax legislation has been a faithful disciple of Henry George. No one has added a new argument, stated an old argument with greater force, or reached a different conclusion. None of his followers has ever apologized for anything Henry George ever said, or refused to stand or fall with the great originator of the scheme. Therefore, to quote Henry George is to quote the best authority, and all authority.

I propose, therefore, to make a few extracts from Henry George's standard work on the subject—the great text book of single-taxers—“Progress and Poverty.”

He begins and ends his argument with the proposition that God made the land, the sea, and the air, for his children collectively, and has never granted the exclusive right to any part thereof to king or subject. All pretended grants and conveyances, therefore, have been fictitious. Relying upon this argument, he holds that all

natural resources still belong to the people collectively, and confiscation in the interest of all is justified.

On page 401 of "Progress and Poverty," he says: "But a question of method remains. How shall we do it? We should satisfy the law of justice. We should meet all economic requirements by at one stroke abolishing all private titles, declaring all lands public property, and letting it out to the highest bidder in lots to suit."

On page 403 he says: "I do not propose either to purchase, or to confiscate property in land. The first would be unjust; the second needless. Let the individuals who now hold it still retain, if they want to, possession of what they are pleased to call their land; let them continue to call it their land; let them buy, and sell, and bequeath and devise it. We may safely leave them the shell, if we take the kernel. It is not necessary to confiscate land; it is only necessary to confiscate rent."

Again, on the same page, he says: "We already take some rent in taxation. We have only to make some changes in our mode of taxation to take it all."

Thus it will be seen that Henry George, with all his intellect, was mentally dishonest. His heart-beats were sympathetic, but his mind wobbled. He was able to perceive nothing dishonest when I sold my acres, or my lot, invested the proceeds in stocks and bonds, and then by my vote exempted my property from taxation, and placed all the burdens of government on the purchaser of my land.

He would have seen no injustice in a government of the people establishing Rural Credit Banks, as has been done, loaning millions, with mortgages as security, upon lands purchased from the government, then inducing widows and orphans to buy securities issued against these mortgages, and finally taxing the value of the real estate away, thus leaving the widows and orphans to beg their bread from door to door.

The American people are inherently and intuitively honest and just. Do you think it would be just, after the people, through their Congress and their president, had granted the homesteader a patent title in fee simple, now to tax its value away? As Henry George says, the effect is the same as confiscation. He calls it "taking the kernel and leaving the shell."

CHAPTER XXVI

EQUALITY OF INCOME

The inevitable effect of equality of income, assuming it could be accomplished, is discussed.

Two or three years ago George Bernard Shaw had a prize article in the "Metropolitan" in which he advocated "Equality of Income" as a panacea for all the ills that afflict civilization. I remember he urged that if all had equal incomes the race would be improved; for there would be greater freedom of selection. He seemed to deplore the fact that under present conditions "men and women meet in parks and other public places, recognize natural affinity" so promptly responded to by some but are nevertheless kept apart because of this iniquitous inequality of income. However much the man may be attracted by the personality of the lady he will not humble himself to make advances if she gives evidence of being financially beneath him; while his advances will be spurned if he bears the marks of a more meagre income than she enjoys.

It was the same old free-love doctrine, and the author argued at length to show that inequality of income thus seriously interferes with the free course of "natural affinity" and hence retards the coming of the "superman." He did not in that article suggest how he would equalize incomes. Suppose we study, for a moment, not how to accomplish it, but the effect of its consummation.

If equality of income would be a panacea now—if it would solve the ills we have and prevent others—it would have worked well from the beginning. Imagine therefore that instead of following the divinely implanted impulse to acquire, to hold, to exercise sovereignty, to achieve, the race had remained as it was when it had no income, and therefore when no inequality of income existed. Would churches and cathedrals have been built? Would colleges and universities have been founded? Would art and literature have flourished? Would America have been discovered? Equality of income would have left Queen Isabella with no jewels to sell with which to purchase the Santa Maria. In fact there would have been no Santa Maria to purchase. The race would have remained where the race started. Inequality of income began when incomes began. Inequality of

income marks the birth of civilization, and if civilization ever dies "*equality of income*" should be the title of its dirge.

The wealth of the United States is about twenty-five hundred dollars per capita. Assume, if you please, that all our property could be and has been converted into cash. Then assume that the rest of the world is able and willing to supply our every need and our every want so long as our money lasts. We would eat and wear out the accumulation of the centuries in less than three years, and find ourselves back where our fathers began, with this awful handicap: our natural resources would be seriously impaired.

The world lives from the income and accretion of the ages, supplemented by daily toil. The accumulation of the past becomes invested capital for the benefit of the present. Had our fathers refused to work long hours, to practice self-denial, and in every way to be frugal, we would not be enjoying the multiplied blessings with which we are surrounded. If we work less hours than is good for us, and consume our inheritance, we will be indeed "ignoble sons of noble sires," and our children will be poor indeed.

CHAPTER XXVII

AN HISTORICAL WARNING

The teachings of Rousseau, which logically resulted in the French revolution, wherein the confiscation of property was the prime purpose, is compared with some of the teachings of today. History that should constitute an ample warning is cited.

We have been sowing what Rousseau was permitted to sow and from which was reaped the French revolution. The "Social Contract" taught that property as understood today did not exist. The citizen simply held it in trust for society. For under the "Social Contract" each "surrenders himself up absolutely, just as he actually stands, he and all his resources, of which his property forms a part." The next logical step in the revolution was to discharge or recall the trustee, and thus vest the property again in society itself. That was done. George W. Hinman in "Can We Learn Anything from History?" summarizes this recall of trusteeships as follows: "Society proceeded to recall its

trustees as fast as 'Society' needed the property. It recalled the trusteeships of all the church property, \$800,000,000; of all the property of exiles, \$600,000,000; of all the property of the guillotined and condemned, \$200,000,000; of all the property of hospitals and charitable institutions, \$200,000,000; of all the state domains sold and rented in the last three hundred years, \$400,000,000; of all the gold and silver vessels and specie, \$100,000,000; of all the property of other institutions, valuables and common goods, \$700,000,000. Then it recalled the trusteeships of coats and trousers, growing crops, pots, kettles, pans and mattresses. In one town it recalled the trusteeship of ten thousand pairs of shoes from ten thousand pairs of feet, and thus condemned ten thousand former custodians of this property to go about their tasks barefooted in the snow."

Not only this but the government extended confiscation by means of income tax until the whole of every income in excess of six hundred dollars was to be taken. Taine, the historian, summarizes thus: "Whatever the grand terms of liberty, equality and fraternity may be, with which the revolution graces itself, it is in its essence a transfer of property. In this alone consists its chief support, its enduring energy,

its primary impulse and its historical significance."

Hinman summarizes thus: "The people in a body is infallible; unlike individuals it can make no mistakes. Therefore we should not trust government to individual representatives or agents but to the pure and direct democracy. But we cannot have direct democracy at its purest without equality of condition. To get equality of condition we must get equality of property. To get equality of property we must correct the inequalities of the past and present. Therefore to correct these inequalities we invent the theory of trusteeship of property, recall the trustees, and take possession of all unequal properties in the name of society.

"That is the whole cycle; that is the great revolution! Twenty-five years in preparation, eleven years in actual practice, fourteen years in immediate consequences; fifty years all told and that is sum, substance and essence from the beginning to the end, a transfer of property! A transfer of property without compensation! A confiscation of property beyond appeal and beyond recall! There were movements also against the church, and against the family, but the transfer of property far surpassed them both in size and in significance.

“That the convulsions attending the movement were more spectacular than the movement itself; that a million persons were stabbed, drowned, shot, beheaded and hunted to death within the borders of the nation; that wars were started that strewed Europe with 5,000,000 dead; that the oppression was far more ferocious than under Louis XIV, that the waste of government was arithmetically four times greater than under the most wasteful monarchy; that a whole nation was bathed in blood, bankrupted in morals, and rotted in character to the core—all of these things, hideous and appalling as they may be, distracting and absorbing as they may be, are still but as colossal incidents. *The chief movement through this sea of blood and wilderness of death was the transfer of property.*”

Nevertheless, Robespierre—the bloodiest man who had ever lived, the bloodiest man who ever has lived outside of Russia, and the bloodiest man who ever will live unless socialism gets control in the United States—was an idealist. He resigned the bench rather than pronounce sentence of death upon a convicted criminal. He read Rousseau’s “Social Contract” every day. He was the leader in the “uplift” movement of the age in which he lived and sought to produce Utopian conditions of “liberty, equality and fra-

ternity" throughout France. While an Internationalist he sought to reform and transform France before extending his field of influence.

But being self-willed as well as self-opinionated, at the first appearance of opposition he threw down the challenge. There was "some fight in him and he liked it." He appealed directly to the people and condemned to the guillotine everyone who had the temerity to resist his efforts to ameliorate human conditions. While seeking everywhere for property to confiscate, and heads to guillotine, he made the most elaborate speech of his career:

"Our purpose is to substitute morality for egotism, honesty for honor, principles for customs, duties for proprieties, the empire of reason for the tyranny of habit, contempt of vice for indifference to misfortune, dignity for insolence, nobility for vanity, love of glory for love of money, good people for society, merit for intrigue, genius for intellectual brilliancy, the charm of contentment for the satiety of pleasure, the majesty of man for the high breeding of the great, a magnanimous, powerful and happy people for amiable, frivolous and wretched people; that is to say, every virtue and miracle of the republic in the place of the vices and absurdities of the monarchy."

I submit this is pretty good rhetoric and excellent diction. Though it means absolutely nothing, it must have sounded well to the proletariat. For a while the people idolized Robespierre, as they usually idolize an idealist of ready utterance, and they followed him to the limits of democracy. The whole population of France transformed themselves into an organized mob. The principal difference between pure democracy and the ordinary mob is little else than that the former maintains a form of organization while the latter is unorganized. Both, being devoid of wisdom, follow impulse. As between the two, the unorganized mob is probably preferable to pure democracy, for it is shorter-lived, and in the end does less injury.

CHAPTER XXVIII

CAPITAL AND LABOR

Among the dangers threatening the republic is the warfare which admittedly exists between capital and labor, the manifest tendency of which is in the direction of bolshevism.

One need not have read the preceding pages to recognize that the United States is fast approaching a crisis. Industrial and social unrest is everywhere apparent. The representatives of capital and the representatives of labor are at grips, while management, the all-essential factor of business, seems helpless to accomplish reconciliation.

More than once in the history of the world an organized minority has wrecked a nation, but this is the first time that the issue has been directly presented to the American people.

The ranks of labor seem to be divided, but this division is seeming and not real. The conservative wing, led by the president of the American Federation of Labor, no less than the radical wing, seeks absolute control, both of production and of transportation. The two wings differ

only as to the means to be employed to an ultimate end. The conservatives believe they can compass dictation and control through diplomacy and political intimidation. The radicals have no confidence in these methods. They entertain no hope of victory except through revolution and bloodshed.

When given free reign the representatives of capital enforced unbearable terms, and at least threatened the liberties of the people. This resulted in legislation forbidding federations, conspiracies and combines in restraint of trade—that is, against the interests of the people. Thus far the representatives of labor have enjoyed statutory exemption from anti-trust laws, are now enforcing unbearable terms, and are somewhat more than threatening the liberties of the people.

Their carefully formulated demands, submitted to both political parties by the American Federation of Labor, include, by logical sequence at least, the unqualified and unrestrained right to organize, to federate, to conspire, to strike either for actual grievance or in sympathy; thereby suspending all production, tying up all transportation, meantime enjoying statutory exemption both from injunction and from damages because of broken contracts. In other words, two million

organized laborers demand the right to freeze and starve one hundred and ten million hitherto supposedly free Americans into subjection. In addition to all this I quote the following demand which they include: "The payment of such wages as will render old age and retirement pensions unnecessary." I submit the wealth of the world would be insufficient to do this. With very rare exceptions he who does not save will not save.

Neither capital nor labor is a commodity, though the one can be hoarded while the other must be consumed day by day or it is wasted forever. Each is an essential of industry, and each represents a contribution to industry by living men and women. Each group of contributors should be accorded the same protection, given the same encouragement, and should be subject to exactly corresponding responsibilities.

Admittedly the representatives of labor are no more intelligent, they possess no greater vision, and evidence no greater patriotism than the representatives of capital. Therefore the nation would be in no wise safer in the clutches of those who contribute labor, and little else, than in the grip of those who contribute capital and also a very large share of that rarest of all the essentials of business, management. As I have

sought to show elsewhere in this volume, "equality before the law" is the only equality possible, and the republic which fails to grant, and likewise to enforce, "equality before the law" is unworthy of the name republic.

For some years the representatives of capital seemed to dominate the affairs of the nation. Today the only people who neither seek nor exert political influence are the representatives of capital. At the first show of hostilities, at the first fight, they took to their heels in a regular "Bull Run." Few of them have been seen since. They are too scared even to contribute to a non-partisan propaganda of Americanism. Large numbers of them do not even vote. This is a great misfortune and a dangerous loss to the republic. It would likewise be a misfortune and a serious loss if the representatives of labor were to refuse to vote or to exert political influence. Originally this was supposed to be a nation of the people, and duly chosen representatives who are in closest touch with every element of society, with every phase of production and transportation, as well as domestic and foreign commerce, should have voice in legislation, and also in administration. I repeat: If we have escaped the clutches of capital, only to find ourselves fast within the strangle-hold of labor, we have

indeed jumped from the frying-pan into the fire.

But neither those who contribute capital nor those who contribute labor should be legislated against; though each group should be restrained within limits. Representatives of capital have been wisely permitted to organize; for instance, the United States Steel Corporation. Others have organized the Bethlehem Steel. Each of these unions of capital—these corporations—has the admitted right to suspend operations at its respective plants until prices are satisfactory; but they are expressly prohibited, and should they attempt it they would be enjoined, from federating, or conspiring with each other, either for simultaneous suspension or doing any other thing for the purpose of advancing prices. The men who contribute labor for each of these great corporations must have the corresponding right to form unions, and I think each should be permitted to suspend work until wages are satisfactory. But as corporations are forbidden to combine and conspire to the prejudice of the people, I think labor unions should be likewise restricted, and if necessary restrained. It is only when federations of unions are formed and conspire that the public welfare is endangered.

No one need be told that if all the corporations of the United States were permitted to place

their affairs in the hands of a single financial institution, or to have unlimited interlocking directors, the public would be at their mercy. Exactly analogous, and in a far greater degree, the American people are at the mercy of organized representatives of labor, and solely because labor unions are permitted to federate and place their activities under one unified control. Less than ten men, unrestrained by self-interest, public opinion, or the courts, can starve and freeze the American people into subjection, and in this way effect actual confiscation of all property. If our candidates for Congress yield to present demands of organized labor nothing less than industrial collapse will afford relief; and this will be at such an awful price. The loss of employment—the loss of an opportunity to exchange a day's work for a dime,—conditions which I have thrice witnessed,—is the greatest calamity that has thus far befallen Americans *en masse*. Under those conditions labor unions dissolve like hoar-frost. No man quits his job or demands more pay or shorter hours. Can no other release from the thralldom imposed by an organized minority be found?

Every organization is appropriate, and entitled to encouragement, so long as it functions. Service being the only legitimate consideration

for reward, it follows that organizations of farmers, bankers, physicians and laborers function only when they seek to increase efficiency so they may receive the appropriate rewards of better service. When any of these ceases to function it becomes a peril.

There is an old fable of a man who had an ox that he worked with a donkey. One day the ox refused to function, and at night asked the donkey how matters had progressed without him. "I had a hard day," said the donkey, "but I lived through it." "Did the boss say anything about me?" asked the ox. "Not a word," said the donkey. The next night the ox made the same inquiry and received the same reply. Again the ox asked, "Did the boss say anything about me?" "Not a word," said the donkey, "but coming home he stopped to talk a little while with the butcher." The next day the ox functioned.

I submit that when an organization representing manufacturers, or bankers, or farmers, or coal operators, or laborers, attempts to dictate the terms on which production may be continued, it is time to talk with the butcher. The Constitution of the United States contains no provision under which representatives of capital can claim the right to organize even a corporation, or the representatives of labor the right to form a

union. "Public policy" is the only justification either for corporations or labor unions, and they are appropriate only when by means thereof better service can be rendered, and the liberties of the people remain unencroached upon.

CHAPTER XXIX

CAN THE CRISIS BE AVERTED?

Our troubles have resulted in part from false teachings, which are leading us farther and farther afield, and in part from want of recognition of a human element in every human.

The alarming conditions before which we all stand aghast have been brought upon us, in no small degree, by false teaching with respect to the end and purpose of government. Possibly disaster may be averted by a speedy return to fundamental Americanism; but, whatever may ensue, no citizen can boast his patriotism until he has sought a remedy, and no one is a patriot who will not sacrifice everything necessary to save the situation.

Lest I be unduly accused of pessimism I cite one, and only one, of thousands of public utterances bearing directly on the case. A gentleman of excellent presence, and seeming patriotism, was a candidate for Congress in a Middle Western state far more conservative than some Eastern states. In his campaign he made extensive use of a pamphlet, "The Revolution." In quoting

him I in no degree question his sincerity of purpose. He reminds one of an evangelist of the olden times. He commends the vision of Ignatius Donnelly when he prophesied the approaching cataclysm: "The people cannot comprehend it. They look around for their defenders—the police, the soldiers; where are they? Will not this dreadful nightmare pass away? No, never! This is the culmination—this is the climax; the century's aloe blooms today." He adds—this candidate for Congress in the year 1916 adds: "These are the grapes of wrath which God has stored up for the day of His vengeance; and now He is tramping them out, and this is the red juice—look you—that flows so thick and fast in the very gutters. . . . Evil has but one child—Death. For years you have nourished and nurtured evil. Do you complain if her monstrous progeny is here with sword and torch? What else did you expect? Did you think she would breed angels?" Then after explaining that he does not speak "these bitter words in the spirit of challenge, but with the kindest, deepest feeling of love for humanity, and with the most fervent and patriotic feeling of veneration for my country—the grandest country in the world, but now being systematically robbed," he warns "the masters of the bread" thus: "I warn them

that if they want 'red hell,' with all the accompanying fireworks—with all the attendant brutality, the crime, and suffering, and misery, and degradation, and sorrow, and death, with the destruction of their cities, and the wiping out of their so-called civilization, they can have it just when they most desire. It is up to them. The revolutions of the past will be but kindergarten affairs compared to the revolution now pending, and coming when someone strikes a match in the powder-house."

LEGISLATION IS NO PANACEA

It is recorded that the children of Israel, once upon a time, got into serious difficulty through worshiping a golden calf while Moses was in the mountain getting the Moral Law. If Americans are idolatrous—and they seem not to be free from this sin—the object of their up-to-date worship is "statute law," to the neglect of underlying principles which make a multiplicity of laws unnecessary. In the last ten years 65,000 new statutes have been enacted by the Congress of the United States and the legislatures of the several states, and approved by their executives. Meanwhile the evils against which these enactments were directed have been but slightly, if at all, abated.

It is recorded that King Knute, in whom was vested the sovereignty of a nation, once issued his decree against the incoming tide. But the tide did not obey. In America the sovereignty is vested in the people, and the pulpit, the platform and the professor's chair have been teaching that "we the people" are omnipotent. The fact remains, however, that the laws of nature, the laws of economics and the laws of society are not amenable to statutes and edicts, whether promulgated by a sovereign or enacted by a sovereign people.

Benjamin Franklin was in the habit of opening the Junta Club with this interrogatory: "Have any of you observed any recent encroachments upon the just liberties of the people?" If the old sage were to return, and again call his society to order, he would be compelled to ask: "Have any of you observed any just liberties of the people that have not been recently encroached upon, or at least threatened?"

Though we surrender every liberty which the fathers prized, though by statute we dissolve every corporation and every labor union, though we deport every alien-born radical now teaching anarchy from the soap-box, though we discharge and silence every native-born "red" now teaching anarchy from professor's chair or pulpit, though

we suppress a thousand publications advocating in more or less veiled form revolution by violence, none of these, nor all of these combined, would permanently effect the cure. The disease is too deep-seated. It has gotten into the very blood of the nation.

A DIAGNOSIS

Before a disease can be treated with hope of success its cause, no less than its manifestations, must be studied?

American industries and internal improvement were begun with American labor. When these industries outgrew the domestic labor supply immigrants were brought in under contract. When Congress forbade the admission of contract labor, and wages continued to advance until, as we have seen elsewhere, labor was being relatively better rewarded than capital, the world heard of it and contributed a polyglot mass of all kinds, tongues and complexions. Naturally American-bred boys and girls did not fancy working side by side with foreigners who could not speak the English language, who knew nothing of republican institutions and American ideals, and who were strangers to American standards of living. So the American youth ceased to accept work, regardless of the wage,

and sought "a situation." Anything was acceptable provided it required the use of only one arm.

The schools caught the contagion and began teaching that while "labor is honorable" it is also "very undesirable." The atmosphere of the school-room is "get an education and you'll never have to work." To such an extent does this sentiment prevail that there are thousands upon thousands of skilled laborers, especially in the iron, steel and coal industries, whose children are clerks in stores, janitors in banks, assistants to photographers, and some of them even have the word "attorney" over their office doors, who board at home and live from the earnings of their honorable and indulgent parents. Where is all this to end? Some one's children will have to work, and they should willingly, even joyously, work. Now the man who works from choice is seldom other than foreign-born. Why?

In thousands of establishments operatives are known only by number. Think of an American citizen, outside of a penitentiary, being identified and known by number! Will any wage satisfy that man? Would any conceivable salary satisfy you if compelled to stand in line on pay-day and accept a pay-envelope bearing only the numerals "1357"? An increased wage may

temporarily appease a man thus environed, but it will fall far short of satisfying his heart hunger.

There are only two demands that the ordinary laborer knows how to make: He can ask for shorter hours, and he can demand more wages. But neither will satisfy, for neither is the thing he needs. What he needs is recognition. He may not consider it as such, but I consider it an insult to pin a number on any man or to number his pay-envelope. Most men fight when called an "it." I will go further and say it is at least belittling to call a laborer "John" or "Bill" or any first name. Banks, railroad companies, hotels and other institutions and concerns have at last learned enough of human nature to know that it increases efficiency, exactly as it increases self-respect, to place the name of the cashier, the teller, the ticket agent and the room-clerk with the prefix "Mr." in a conspicuous place. Everyone prefers to be addressed at least as "Mr.," and the lower his station the more welcome is the sound of his surname. Pride of family is thus delicately awakened. Army officers are insulted when their rank is omitted from the salutation. The only exception is when they are addressed as of the rank to which they aspire. United States senators are mildly flattered when addressed as

"Mr. Senator," and piqued when called "Mr." The common title "Honorable" will not satisfy a senator, a judge, a governor, a cabinet member or any army officer. Good salesmen resort to subtle compliment and address their prospective customers at frequent intervals, sometimes using the title "Colonel" or "Judge" and never less than "Mr." I saw a newsboy twenty-five years ago sell W. J. Bryan a back number of a Nebraska paper simply by addressing him thus, as he stepped from his train when he was passing through Des Moines: "Mr. Bryan, don't you want a paper from home?" When I saw him turn that trick I did not wonder he had accumulated \$10,000 selling papers. Some sleeping-car porters even examine baggage to enable them to call passengers by name. They will tell you they are well paid for their trouble in increased tips. And yet people who understand all this will designate their employees by number, or at best by their abbreviated first names. Are laborers any less human because they are laborers?

If I wanted to increase self-respect, and thereby both efficiency and contentment within a factory, I would, as far as possible, place the name of each operator, with the prefix Mr. or Mrs. or Miss, over each bench, upon each loom

and above each machine where my brother man was to work. I would omit nothing that might awaken the consciousness of the man at the bench that he and the man at the desk were jointly operating the plant and mutually responsible for both the quality and the quantity of the output.

An American citizen has a right to recognition wherever he may honorably stand. In the great distribution of the world's work a certain post has fallen to him. No one can trace the causes that led to his own allotment. But he who meets the requirements of the position he is called upon to fill, whatever it may be, is a good and worthy citizen. He is more than an "it," more than "Jack," and the employer who designates him by number, or in any manner less respectful than he expects in return, is deficient in knowledge of human nature.

Being unable to formulate the natural longings of the heart, the average laborer limits his demands to the things that the walking delegate tells him are the only things necessary: "shorter hours, more pay and recognition of his union." Recognize the man himself and he will forget his union. Though he gets all he asks, the real need of his being remains unsatisfied; then he repeats his demand. When his employer seeks to do

something *for him* instead of doing many things *together with him* he resents both his charity and his patronizing sympathy, and spurns his advice.

Men who are required to deal with men, and especially those who are in constant touch with large numbers of subordinates, ought to give primary study to human nature. They may safely omit the study of angelic nature until they join the angels. Not much of this latter brand will be found within the ranks of either employers or employed.

Suppose we continue this analysis of human nature a little further, for therein only may we expect to find the seed of truth that shall, if nurtured, fructify in blessings to us all.

A few years ago the Chamber of Commerce of one of our very large cities gave a Lincoln day banquet at which the then Speaker of the House of Representatives was the guest of honor. Among the wise philosophies that fell from his experienced lips was this: "I do not know your personal genesis, but I will guess that less than fifty years ago nine out of ten of the intelligent, virile leaders of production, who own and represent capital, as well as the high officials of your state and of the nation who sit at this table, were bright-faced school-boys in the common schools

'building castles in Spain.' If this Chamber shall repeat this banquet a half century hence you will find your successors in the public schools of today 'building castles in Spain'."

The thought I gather from the foregoing is not the trite expression, "The youth of today is the adult of tomorrow," nor that the public school is the nursery of greatness. The truth conveyed to my mind is that the boy who shall grow to prominence in business or in a profession or in public service is the youth who "builds castles in Spain"—who imagines, who hopes, and who goes out to fight and to pay the universal price for the fulfillment of his dreams. Is our complex civilization robbing our youth of that greatest of all essentials of greatness, imagination?

"I stand at the end of the past; where the future
begins I stand.

Emperors lie in the dust, others shall rise to command;

But greater than rulers unborn, greater than
kings who have reigned

Am I, that have hope in my heart and victories
still to be gained.

Under my feet the world, over my head the sky,
Here at the center of things, in the living present
am I."

CHAPTER XXX

INDUSTRIAL REPUBLICS

While democracy as a form of government spells ruin, democracy in society spells America in her best estate. The possibility of industrial republics is suggested.

While talking about democracy in government we seem to have lost our conception of democracy in society. What better can we expect from democracy in government than France's experience, when the voice of the people was declared to be the voice of God? But social democracy is a very different thing from a democratic form of government, and has well nigh become a lost blessing.

When the socialist talks about "Industrial Democracy" he means a democratic form of government, with all industries under popular management. That is one extreme. The capitalist demands industrial autocracy. That is the other extreme.

In a previous chapter I have tried to show that when the Fathers formed this government,

their experiences, as well as their knowledge of history led them to fear the monarch. The French Revolution was about to burst into what its promoters promised should be the purest form of democracy which the world had ever seen, and the Fathers were justly apprehensive. Dreading the mass quite as much as they feared the monarch, they chose the middle course. They chose representative government.

I wonder if there be a middle course between industrial autocracy and industrial democracy. Is it possible for business concerns and manufacturing plants to create within their organizations industrial republics where each employee shall have some actual voice, and through their representatives sitting in deliberative bodies, analogous to our legislative branch, originate and recommend or approve reforms and improvements subject, of course, to a veto by a cabinet?

Many methods of profit sharing have been tried and they have usually worked advantageously, but admittedly they fall far short of the requirements. So-called cooperative industrial concerns have been created with some measure of success, yet the real problem remains untouched and as complex as ever. Labor has never established a cooperative industry worthy

of the name, except as Mallock shows in "The Limits of Pure Democracy,"¹ when the actual operation of the concern has been placed in the hands of an oligarch whose administration is as arbitrary as that of any captain of industry. Only in that way has it been possible to supply management, the most essential element, as we have seen, in any enterprise. Labor has sometimes found the capital, but capital and labor without management are impotent. A goodly number of corporations have encouraged and even assisted their workmen to buy stock, which is a very good and meritorious policy. It may tend to alleviate but it fails to cure.

Mallock clearly shows that every successful government unites the elements of autocracy and democracy. Even the Imperial German Government granted certain powers to the people, while the Constitution of the United States clothes the president with powers in certain respects rivaling those of the kaiser. The power of veto which the Constitution vests in the president exceeds any prerogative possessed by the king of England. On the other hand the power to make war rests with Congress, while in Great Britain it requires no parliamentary act. Mallock enlarges upon this thought and shows that

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socialist organizations and labor unions are successful only because they are arbitrarily managed. Their so-called leaders are, in fact, oligarchs. The Russian Revolution, like the French Revolution, was avowedly of democratic origin, but in fact both were as despotic as anything the world has ever seen. The strength and grandeur of the government of the United States, as established by the Constitution, lies in the most happy combination and blending of these two fundamental principles, popular sovereignty and centralized strength.

The primary difficulty in solving the so-called labor question lies, I think, in failing to recognize the individuality—the personality of the employee. Some tiny share of profits is offered in lieu of increased wages and it is accepted as a mere sop. The offer of stock at a price below the market, with easy payments, is looked upon as a cheap way of tying the hands of the employee, and as an insurance against strikes. I think I am safe in saying that in a very large majority of cases where any of these methods have been tried the men have resented them, and in some instances spurned them. Then the employer concludes that labor will not accept decent treatment, closes his ears, his mouth and his heart and proceeds to get all he can and to

give as little as can possibly be forced out of him.

If the basis of masculine happiness is, as I have tried to show, the divinely implanted desire for creatorship, sovereignty and achievement, then we will find it impossible to satisfy the subconscious longings of the human heart with shorter hours, increased wages, or with some slight share of profits in lieu of increased wages. If I am right in my analysis the pathway of access to the real man in the overalls—and a real man is in the overalls and must be discovered—is by some scheme that will necessarily recognize him as a real, thinking and potential entity.

Most humans prefer to be called "citizens" rather than "subjects." Autocrats speak of their subjects. In republics there are no subjects. All are fellow citizens. If this thought can be carried into the industrial world, the "citizens" therein will find their heart hunger appeased, their hope inspired and they will lift their heads into the clearer atmosphere of industrial opportunity, and possibility of ultimate social recognition. If the theory of evolution has any foundation in fact the species began to lift its head with the first impulse of hope, and its whole body stood erect when the consciousness dawned of being human. A free, brave and hopeful

people never went mad. Desperation and failure of recognition is the parent of revolution. Most anyone will fight when called "it."

Pardon a little personal observation which has direct bearing upon increased efficiency resulting from no other cause than recognition and hope. Forty years ago immigrants from both Germany and Sweden came from Castle Garden to my town every few days. They had been born "subjects" and they toiled after their arrival as they had toiled before as "subjects." They moved with the air of "subjects." In my imagination I can see those German families coming up the middle of the street in wooden shoes, single file, the man ahead empty handed except his long pipe, the wife close behind with a baby in her arm, and a big bundle on her head, and the children in regular succession according to age, which seldom varied more than two years. There must have been some hope in the man's heart or he would not have left his native country. But neither his gait nor his other movements betrayed it. These immigrants immediately sought and secured employment, but they were not worth much the first month or so. It did not take long, however, until it would dawn upon them that opportunity had actually knocked at their door. A few Sunday after-

noons on the porch of friends who had left the Fatherland as poor as they, and who were now comfortably situated, plus a wage scale of which hitherto they had only been told, transformed those big fellows. I am not exaggerating when I say they would do without urging from fifty to one hundred percent more work six months, and often six weeks, after their arrival than when they came. They had begun "building castles in Spain." They were dreaming dreams and the central figure in every vision was a home of their own, and personal recognition. Instead of being subjects they had determined to become citizens.

Can this transformation still be wrought? If it can all danger is past. Of one thing I am certain. It cannot be done by legislation.

CONCLUSION

I came to man's estate thoroughly believing that the Constitution of the United States is the greatest chart of liberty ever penned by man; and nothing that I have seen, nothing that I have heard, and nothing that has transpired in all my mature life has shaken my faith.

I think I must have been born an optimist. From earliest recollection I have liked the rooster that crows in the morning better than the owl that hoots in the nighttime. And what is best of all, the surroundings of my childhood and youth were exceedingly hopeful. I have seen few hours of discouragement and none of despondency. Despising the pessimist, I have resolved, and am resolved, that nothing shall dim my hope or weaken my confidence either in my country or in the American people, and yet in spite of myself I sometimes feel a very unwelcome impulse.

I observe the teachings of Jefferson forsaken and instead of the minimum of government and the maximum of liberty, more and more

of government and less and less of liberty. I see ignored the warnings of Washington against weakening the energy of our governmental system by making changes in the Constitution. I mark the trend away from representative government towards direct government, a policy that has wrought ruin whenever and wherever it has been tried. I note the growing disrespect for authority in the home, in the school and on the street, coupled with certain slurs at the forms of law, as well as for judgments and decrees rendered in harmony therewith, emphasized by bald and naked threats to undermine and, if possible, overthrow our entire judicial system. I overhear the subtle suggestion to our youth that they need give no thought for the morrow, for the government will soon insure employment; that it is folly to make themselves efficient, for the government will sooner or later guarantee wages regardless of merit; that they need not practice thrift, for the government will ultimately pension their old age regardless of profligate habits or vicious living. I discover a growing recognition of capitalistic, industrial and even servant classes, with attempts at class legislation, all subversive of republican ideas, republican traditions and republican institutions. When I realize that all this is as yet only a

verdant growth from socialistic, not to say anarchistic seed sown broadcast with scarcely a protest, and knowing that a harvest must yet be garnered, I am at times apprehensive.

But I am reminded that this is the people's government. If they want it this way it is their business and not mine. If they make a mistake they are abundantly able to respond in consequences. All of which is true, but the fact that it is true, and awfully true, only emphasizes the importance of alert men in the watch towers.

Recognizing the existence of the greatest crisis of all time, a crisis wherein all that we call Christian civilization is imperiled, and being unable to hold my peace I have produced what I hope shall be considered an argument. I have tried to prove scientifically that the fathers were wise beyond their generation. Nothing is scientific that will not stand the test of application. I consider the unschooled George Stevenson a scientist of the first order. He thought out, and worked out, a safety lamp for the protection of coal miners, who during every hour of their toil stood in imminent danger of explosions. Then to prove that he was scientifically correct he had himself lowered into the mine in the nighttime, and, standing there alone, thrust his lighted lamp into the escaping gas. The achievements

of the past afford proof positive that our form of government, our policy and our purpose of government were scientifically correct. It cannot be exploded or overthrown. Its only danger is from those of its own household, the children of its own institutions, who may undermine it.

Even the most casual reader must have discovered that in a very marked degree we have departed from the teachings of the Fathers. This we have done first in our form of government, and secondly in our purpose of government, both of which tend strongly to bolshevism, sometimes called socialism, and sometimes called "pure democracy." It might as well be called Rousseauism. The name is immaterial. The thing itself is the same old snake that first charms, then strangles, covers its victim with ooze and swallows at leisure.

There is little in the book except what the writer considers has direct bearing upon one or the other of three major propositions. First: Representative government was the correct principle when established, and therefore is correct now and will be correct to the end of time. Second: The government was originally correct in granting liberty of action to the citizens and in limiting its own activities to strictly governmental functions. Third: Each and every de-

parture from correct principles or wise policies has led by one pathway or another in the direction of bolshevism.

No people will ever outgrow correct principles of government any more than they will correct principles of agriculture. The fact that times have changed, that inventions have revolutionized industry and that improved methods of transportation have annihilated space, do not in the slightest degree make erroneous a correct principle of government any more than they render false a principle of nature. If the law of gravitation were a provision of the Federal Constitution, there were many in the United States who would have sought to amend it when the "Titanic" went down. They would have argued that when the principle was promulgated by the Great Law Giver, there were neither icebergs nor steamships.

The argument that the people are wiser now than they were is false. The Constitutional Convention contained a larger proportion of college graduates than any convention that has since assembled anywhere, and some of the wisest, and safest and most experienced were not college men. The people who came to America prior to 1787 came for motives as lofty as have actuated those of recent years,

and in character, breadth of purpose and intelligence they compare favorably with immigrants of today. In addition, they had many advantages which we do not possess. They had time to think, the prime essential of greatness. They had neither the inclination nor the opportunity to read news items from all over the globe in three or four editions of a metropolitan newspaper, which professedly prints only news, but prints it several times each day. Meditation is necessary for a statesman whether he be required to discharge his responsibility in the halls of legislation or permitted to do so at the polls.

In defending our form of government, I have submitted a brief argument for an independent judiciary. This should be unnecessary in any country enjoying and professing adherence to Anglican liberty. In justification I plead the growing disrespect for, and the multiplied attacks upon, our whole judicial system.

I have also sought to show by the record, as well as by some reference and analysis of human aspirations and emotions, that the governmental policy pursued for many years was correct, and therefore is and will be correct forever. If I have failed to make it clear that for more than one hundred years the government fostered every industry and fathered none, I have made

poor use of the material at hand. I have sought to show that the government merely safeguarded the liberties of the people, while her citizens pursued their happiness and won it in achievement, which, in regular sequence, made the nation great. If the argument has any force, it should lead irresistibly to the conclusion that if America expects to make further advancement, the only sure way is to return to these fundamental principles.

I have referred to and briefly discussed bolshevist or socialist doctrines, including confiscation of property, only because they are all involved in the departure from the policy of the fathers. When the Republic changed its course little by little away from granting liberty and affording opportunity and began to restrict and to absorb what the citizen had formerly enjoyed, the way was opened for all the elements of revolution. To understand the gravity of the situation one must study the logical effect, and to comprehend the effect some reference to similar movements in France and Russia is necessary.

I have sought to strengthen the argument against governmental interference in purely secular affairs by showing the unavoidable handicap the government is under when it enters the

field of business. This has occasioned some analysis of the Civil Service system, with illustrations of its actual operations.

That my country will return to its original form and purpose, I am more than hopeful; yea, I am confident. It must be that the United States will revert to representative government in its original simplicity. It cannot be otherwise than that a wise citizenship will again select their representatives because of aptitude and will retain them in positions of responsibility until they shall have acquired efficiency through experience, gauging their worth, the while, by results rather than by subservient obedience. An ambitious people, resourceful and hopeful, virile and expectant will certainly take their government out of business, and confine its operations to the legitimate functions of government. All the traditions of the past, all the teachings of the Fathers, all the warnings of history are against paternalism. No government ever made or will make a people great except as it guarantees liberty whereby the people shall make themselves great. No people ever have made or will make themselves great by relying upon their government to do for them the things which the Almighty intended—yea decreed—that they should do for themselves.

APPENDIX A

UNSKILLED LABORERS

Treasury Department, Nov. 11, 1903.

To Civil Service Commission:

Your letter of November 4th relative to the adoption of rules governing the employment of laborers in the Federal Service at Boston is at hand. I will have occasion to take the matter up with the President, and if he desires the rules signed I shall be glad to comply. Otherwise I shall decline.

My principal objection is the fact that paragraph 6, "Definition of Classified Work," contained in the regulations governing the employment of classified laborers, adopted July 23, 1903, has proved very impracticable. In fact that Department not only violates these rules every day, but ignores them and is compelled to do so. I am also advised that the Civil Service Commission not only violates them, but ignores them. I respect the Commission for doing this, and my respect would not be diminished if it would repeal such regulations as have to be ig-

nored by the very men who promulgate them. The fact that they are thus ignored by the Civil Service Commission is supported by the clear and repeated statement of a member of the Commission, made in my office.

And this is not all. It is well nigh impossible to secure from the skilled laborer register of the Commission persons who are willing to perform the menial service which is required of unskilled laborers. The rule referred to forbids our taking unskilled laborers from our payroll to perform this menial service, and permit them incidentally to perform service that requires a knowledge of reading and writing. We are now in the midst of a prolonged correspondence with the Civil Service Commission over a case arising at San Francisco where the offense was that an unskilled laborer, assigned to handle merchandise, was permitted to go to a pile of bales and boxes on the docks and select a package that was needed for examination, and exercised his ability to read the number on the package. Had some skilled laborer gone with the unskilled laborer, to read the number, and had then informed the unskilled laborer that that package bore the desired number, all would have been well. Under the rules for which you are contending it requires two men to get a package, when either

one can get it alone, and then it takes a man and a stenographer in this office to conduct the correspondence that grows out of the offense of allowing either one to do it unaided by the other. If the President wants this condition inaugurated at Boston and other ports, as well as at San Francisco, I shall be very glad to see that it is done.

I will be very glad to co-operate with the Civil Service Commission to improve the service in this Department, not only in Boston but in every port. I am a firm believer in Civil Service, and, I may add, in the machinery of Civil Service but I am more interested in improving the product than in perfecting the machine. So far as I am concerned I will not voluntarily sign and promulgate rules for the mere sake of signing and promulgating rules. I will co-operate to the fullest extent in anything that will improve the service.

Very respectfully,

LESLIE M. SHAW.

REQUIREMENTS FOR MALE UNSKILLED LABORERS

Treasury Department, Jan. 26, 1904.

To the Civil Service Commission:

Your letter of the 14th inst, submitting for approval a statement of physical requirements for male unskilled laborers is received.

I am unalterably opposed to a graduated scale of physical ability. If a man of medium weight, 130 lbs., and minimum height, 5 ft. 3 in., and with strength to carry a minimum weight, 150 lbs., is to be marked 70, as you propose, then a man weighing 200 lbs., 6 ft. tall, and able to carry 200 lbs., would I supposed be marked 80; and a man weighing 300 lbs., 6 ft. 5 in. in height, and able to carry 500 lbs., should be marked 100. No one would have such a man around. He would be physically incompetent. Either a man is physically competent or he is not. Most of the defects referred to as sufficient to justify rejection are all right. I have no objection to a list of competents being made and from that list we will select. But I would rather base my judgment upon the appearance of an applicant who would come into the office and say "good morning" and retire than all the physical examinations that the Civil Service Commission can give.

I do not care to prolong the correspondence; I simply will not consent to accept unskilled laborers on a graduated scale of physical ability. I do not care whether a man can lift 150 lbs. or 400 lbs. when there be only 10 lbs. to lift.

Very respectfully,

LESLIE M. SHAW.

APPENDIX B

TEA EXAMINER

Treasury Department, Dec. 15, 1904.
To the Civil Service Commission:

I am in receipt of your communication of November 21st certifying three names from which to select a Tea Examiner.

I hereby file objection to each and all of the persons so certified because of mental unfitness for the position for which they apply.

There is no tariff duty on tea and the sole purpose of examination of tea is to protect the American people from cheap and deleterious preparations. A competent tea examiner must be able to pour hot water on a sample of tea and by tasting, tell within five cents per pound of what it is worth, and to determine accurately whether the sample is composed of tea or of some imitation or preparation thereof, and whether it has been adulterated. Whether he can speak the English language or sign his name is immaterial. If he knows tea, and is honest and incorruptible, the American people will get protection. These men know no more about tea

than you or I and they are as unfit for the place as either of us.

In proof of the foregoing, one of the names certified is that of a clerk in the Customs Service and is known to this Department to be wholly unfit for Tea Examiner. He is a clerk and not a Tea Expert.

Another is a bookkeeper, and has been continuously thus employed since 1886, and knows nothing about tea and does not pretend to.

The third is now an opener and packer in the Customs Service and admits that all he knows about tea is the fact that he once sold coffee. The serious side of this matter is the absolute and literal truth of the foregoing.

Some conception of the importance of the position may be gained from the fact that over three hundred packages of alleged tea have been excluded in the last ninety days at that port alone.

Very respectfully,

LESLIE M. SHAW.

The balance of the correspondence is unimportant in view of the Commissioner's letter of Dec. 9, 1905, practically one year thereafter, quoted page 173, and in which the Commission states that after two examinations, on its recommendation the place was excepted by the President and filled independent of Civil Service.

APPENDIX C

TOBACCO EXAMINER

Treasury Department, December 15, 1904.
To the Civil Service Commission:

I am in receipt of your letter of the 12th inst. certifying three names eligible for selection as Tobacco Examiner at the port of _____.

I hereby file objections to each and all because of mental unfitness for the position for which they apply.

The Tariff Duty on unmanufactured tobacco is in part as follows:

	Per lb.
Wrapped Tobacco, unstemmed	\$1.85
Wrapped Tobacco, stemmed	2.50
Filler Tobacco, unstemmed35
Filler Tobacco, stemmed50
Filler Tobacco, if packed or mixed with more than 15 per cent of wrap- per tobacco, unstemmed	1.85
If stemmed	2.50
Tobacco, the product of two or more countries or dependencies when	

mixed, unstemmed.....	1.85
If stemmed.....	2.50

This is sufficient to show the importance of the position and the necessity of having an expert tobacco man as examiner. No one of these certified is competent. The first is a clerk and stenographer. He has been a letter carrier and is now a clerk in the Customs House at \$1,200.00 per annum. He is a professional Civil Service Examination taker, and admits having "crammed" as he terms it for this examination. He has never had anything to do with the tobacco business except that he was once stenographer to a tobacco merchant.

The second is a storekeeper and clerk in the Customs Service. He has had no experience whatever in tobacco except to have seen bales of tobacco while storekeeper for the government.

The third has been a cigar maker but does not pretend to know anything about the tobacco business except a little experience in making cigars from tobacco purchased by others, and that in a very small way. He is in my judgment wholly unprepared to protect the revenues of the government against the frauds continually attempted by unscrupulous importers, who pursue the line of least resistance, and bring their tobacco to the port where deception is least

likely to be detected. He is equally unprepared to protect the honest importer from competition with the unscrupulous.

In kindness but in honesty let me say that the man who conducted the examinations has no conception whatever of the qualifications needed in a tobacco examiner. . . . These applicants may be nice men, and they may wear good clothes, and they may speak good English, and may be men of integrity, but no one of them is fit to hold the very important position to which he aspires, and for the simple reason that he knows nothing at all about the only thing he needs to know anything about, to-wit: Tobacco!

Very respectfully,

LESLIE M. SHAW.

The balance of the correspondence is unimportant in view of the Commission's statement in its letter of Dec. 9, 1905, quoted page 173, that after three examinations the President on request had excepted one tobacco examiner and the place had been filled independent of examinations.

APPENDIX D

Correspondence between the Secretary of the Treasury and the Civil Service Commission *in re* Trial Lawyers.

Treasury Department, Sept. 20, 1905.

To the Civil Service Commission:

Gentlemen:

I wish you would hold an examination for special agents at the earliest possible moment. As I explained to your Mr. ——— the other day, the Department needs some special agents with legal training. Not all special agents need legal training, but there are many times when cases have to be prepared for presentation to the Board of General Appraisers, or to the Court, where legal experience is almost essential. I will give you an illustration: Not long ago I needed to send a man to Europe to investigate alleged undervaluations in crockery and chinaware. I had the matter investigated by three special agents and special employees with no satisfactory results. They did not know what was essential, and did not seem to know evidence when they saw it. I then appointed an expe-

rienced lawyer as special employee and sent him over. The evidence he collected ought to secure a fifty percent advance on these goods.

I want to urge that in this instance you prepare the questions so as to exclude everyone who is not an experienced lawyer. I also desire to see the questions before the examination is held. I want to cooperate with the Commission, and I urge the Commission to cooperate with me in getting material absolutely necessary to good administration.

Very truly yours,

LESLIE M. SHAW,

Secretary of the Treasury.

SECOND LETTER

Treasury Department, October 14, 1905.

To the Civil Service Commission:

Gentlemen:

How are you progressing preparatory to the examination for special agents? I am very anxious that this shall be done at the earliest possible moment. I have a well-defined policy that I would like to put in operation before I retire.

Very truly yours,

LESLIE M. SHAW.

FIRST LETTER FROM THE COMMISSION

December 2, 1905.

The Honorable

The Secretary of the Treasury:

Sir:

Referring to the examination for special treasury agents which you desire this Commission to hold and with respect to which you make oral inquiry today, the Commission has the honor to state that the questions on government, law, and customs matters prepared by your Department have been given careful consideration. It is the opinion of the Commission that the questions are of such a character that they might be answered by a person without testing his qualifications for the position of Special Treasury Agents, and that, on the other hand, failure to answer the questions would not indicate lack of qualification for such position.

The Commission is sincerely desirous of co-operating with your Department in securing competent persons for the service, but it does not believe that an examination along the lines indicated in the material submitted by your Department would have the desired effect.

The Commission very seriously doubts whether the position of Special Agent can be filled as

satisfactorily by open competitive examinations as by transfer or promotion of trained and experienced employees in the service who are familiar with the workings of your Department and especially with customs matters.

Very respectfully,

Commissioner.

REPLY TO FOREGOING

Treasury Department, December 5, 1905.

To the Civil Service Commission:

I am in receipt of your letter of the 2nd relative to an examination for Special Agents to the Treasury Department.

I know you will pardon me if I insist that I know better the necessary qualifications of Special Agents than any person who knows nothing about it whatever. If there were experienced employees in the service who could be transferred I certainly should do so rather than to await an examination. You will remember a personal interview I had with you about this some months ago, and several requests, some of them personal and some of them in writing followed by the preparation of the questions in this Department, still followed by oral inquiry to which you courteously refer. I will explain

again that I need some lawyers in the Special Agent Force. The government loses millions every year (and I speak within bounds) for want of suitable preparation of cases for presentation to the Board of General Appraisers. I want men who know evidence when they see it and who know how to present a case. I do not want a physician or a preacher, but I do want and must have lawyers. I care very little whether they know anything about Customs matters or not—they can learn that but they may know everything about Customs matters and cannot become lawyers. I have clerks in the Department who have graduated in law but that does not make a lawyer of a man. I know what the Department needs, and I want that need supplied. Please advise whether you will hold the required examinations or whether I will have to fill the vacancies with incompetent clerks, or by executive order. If you will join in a request that suitable men be put into this important work by executive order I will let the Civil Service Commission make the nominations from a list which I will furnish, or I will ask them to furnish the list and I will make the nominations. I am not trying to escape the Civil Service, for I heartily believe in it when so applied as to bring material that can be used

to bring results. I appreciate your expressed desire to co-operate and I only ask that you make it good by co-operating.

Very truly yours,

LESLIE M. SHAW.

LETTER FROM THE COMMISSION

December 9, 1905.

The Secretary of the Treasury:

The Commission has the honor to acknowledge the receipt of your letter of the 5th inst. in which are indicated your wishes with respect to the proposed examination for Special Agents.

In reply your attention is invited to the general questions on government, law and customs matters which have been submitted to the Commission by your Department. Of the fifty-three questions so submitted, fifteen are of a general character and could be readily answered by any law student. Only three relate to evidence in any form. These are of such an elementary character that they may be found in any text book on the subject and are not sufficient to bring out a satisfactory knowledge of evidence. There are thirty-seven questions bearing directly upon customs matters although your letters indicate that a knowledge of the subject is not to be required of applicants. After careful considera-

tion of the matter and in view of your recent letter it is believed that the questions submitted by your Department are not suitable for an examination of Special Agents.

After discussing the responsibility which the Commission must bear the letter proceeds:

In this connection your attention is invited to an examination for law clerk, Class 4, held for your Department in April, 1903. This examination was prepared along the lines indicated by you and your statement that only graduates of reputable law colleges who had had at least three years practical experience subsequent to graduation would be acceptable to the Department, was incorporated in the announcement. The examination consisted principally of practical questions in law and the preparation of opinions upon stated cases. Of the 367 persons who competed only 20 attained eligibility. The results of this examination were very unsatisfactory to the Commission and to a large number of the competitors who felt that injustice had been done them. It is understood that several persons who were regarded by the officials of the Treasury Department as qualified for the position failed in the examination. A large number of appeals from the ratings were received, some of them being from men who were

graduates of the best law schools in the country and who had many years experience in the practice of law in the general field.

Then follows reference to examinations for Tobacco and Tea Examiners quoted in Chapter XXIII; and the letter closes as follows:

The Commission is strongly of opinion that in the entire force of the Treasury Department, comprising as it does many thousand employees, persons can be found who possess suitable qualifications for Special Agents.

Very respectfully,

Commissioner.

Treasury Department, December 11, 1905.
To the Civil Service Commission:

For three months I have been trying to get some lawyers on the eligible list that I may improve the Special Agent Service, and I am this near success: I have had the solicitor for this Department prepare a list of questions to be submitted with others which the Commission may be pleased to prepare. I have not examined the questions. They were prepared by Judge O'Connell, who has been a practicing lawyer of extensive experience for twenty years, and has several times served on the committee

to examine applicants for admission to the Supreme Court of his state. These questions your Commission refused to use and declined to prepare others. You tell me that I must fill the vacancies from clerks in the Department. This I will never do. The vacancies will remain while I remain unless I can fill them in a way that in my judgment will improve the service. Possibly some clerk in your Department can prepare a better list of questions than Judge O'Connell has submitted. If so I have no objection. In fact I have no objection to any course you may be pleased to pursue and I have no further suggestions to make. I only ask that some time within a year or so the Civil Service Commission get a few lawyers within reach for the special service where lawyers are necessary. The government loses millions every year for the want of men in the Special Agent force, competent to prepare cases for submission to the Board of General Appraisers. If the Commission shall elect to assist me in the premises I shall appreciate it very much, and if it declines to act in the future, as it has declined in the past I shall submit, unless I can devise some other way to improve the service.

Very truly yours,

LESLIE M. SHAW.

COMMISSION'S REJOINDER DATED DEC. 20, 1905.

We are clear that vacancies in the position as Special Agent cannot be satisfactorily filled by open competitive examinations. . . .

. . . If it be your desire as indicated in your letter that we should hold an examination for law clerk we will do so; and if you wish to make use of that register in filling vacancies in the position as Special Agent, it is of course your privilege to do so.

Very respectfully,

Commissioner.

Thereupon the Secretary of the Treasury made request:

"Replying to your letter of December 20th handed to me by your Mr. ——— and in harmony with our verbal understanding I request that the Civil Service Commission hold an examination, giving it such name as it may deem appropriate but so arranged as to exclude all but graduates from law colleges, and who in addition have had not less than three years experience in active practice including trial of cases in *Nisi Prius* Courts. I desire to make use of these clerks as Special Agents. They should be eligible for appointment direct or by

immediate transfer without waiting six months. I need them now, and will be pleased if the Commission will expedite the examination in every possible way."

On December 29, 1905, the Commission submitted draft of an announcement of an examination for law clerks in the Treasury Department and added: "It is requested that the announcement be returned to this office at your earliest convenience with such suggestions as you may desire to make in regard thereto."

Suggestions were made January 4, 1906.

"I suggest that you eliminate from the first paragraph the following:

'In making certifications to positions in the Customs Branch of the Treasury Department, consideration will be given to experience showing familiarity with Customs Law and practice in Customs Cases.'

There is not a lawyer in the United States who has had experience in Customs Cases whom I would appoint Special Agent, except those who are earning five times what the position will pay. There are some in the cities, and especially in New York, quite a number of disreputable fellows who have had some experience in practice in Customs Cases, but there is not a New York lawyer of experience in Customs Cases

whom I would appoint Special Agent except as I say those who would not accept. I care nothing for familiarity or practice in Customs Cases. What I want is a man competent to practice in Customs Cases, and with integrity enough to justify his appointment."

As already stated, without fault of the Commission no lawyer who had ever tried a case in any court was ever made eligible and the Secretary of the Treasury could secure one only from the eligible list. There was an eligible list of law clerks but no list of lawyers.

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